

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JANUARY 12, 1933



Prize Winning Campaign Helps Agents of F. & G. Fire

THE judges of the Direct Mail Advertisers Association had a big responsibility. Sales help material from all over the country was spread out before them at their annual convention. They were called upon to choose the best. They chose the blotter campaign which the F. & G. Fire recently mailed to its agents and brokers.

Now, the prize itself is not important, much as we appreciate it. The important thing is that these blotters have done a real job. Each of the 24 carried a simple, direct suggestion for increasing sales.

This same basic thought inspires the many letters and folders we prepare for your use. They are sales-minded . . . prepared to help agents and brokers turn prospects into policy-holders.

These *Local-Agency-Minded* Companies originated the slogan,
"Consult your Agent or Broker as
you would your Doctor or Lawyer."



Unexcelled service on all casualty,
surety, fire, automobile and inland
marine lines through 11,000
Agencies.

Fidelity and Guaranty Fire Corporation

which is affiliated with

United States Fidelity and Guaranty Company

HOME OFFICES: BALTIMORE, MD.

Great American Insurance Company New York

INCORPORATED - 1872

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IN THESE TIMES

These are times of stress and strain. We are living in a most abnormal period. Disturbances and difficulties of almost every nature confront both companies and agents—unusual situations and problems must be met and solved almost daily.

In times like these it is comforting to agents of the Great American to know they have behind them an organization capable of properly meeting every contingency, for the Great American is never a "fair weather" company. It is as solidly back of its agents and their clients during these days of stress and strain as it will be when business will have righted itself again. A tie-up with the Great American assures an agent uniform service and support, not merely in fair weather but also during the days of adversity.

WESTERN DEPARTMENT
310 South Michigan Avenue :-: CHICAGO, ILL.
C. R. STREET, Vice-President

ALLEMANNA FIRE

Insurance Company

Pittsburgh, Pa.

Incorporated 1868

WESTCHESTER FIRE

Insurance Company

of New York

Organized 1837

UNITED STATES FIRE

Insurance Company

of New York

Incorporated 1824

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Statement June 30, 1932

Capital \$ 2,000,000.00

Net Surplus 7,997,276.18

Liabilities 13,629,200.96

*Assets 23,626,477.14

*Valuations on New York Insurance Dept. Basis

CRUM & FORSTER

MANAGERS

100 William St.

New York City

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DEPARTMENT OFFICES

Western Dept.
FREEPORT, ILL.Southern Dept.
ATLANTA, GA.Pacific Dept.
SAN FRANCISCO
CALIF.Carolina Dept.
DURHAM,
N. C.Allegheny Dept.
PITTSBURGH, PA.**NORTH RIVER**

Insurance Company

of New York

Incorporated 1822

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Statement June 30, 1932

Capital \$ 2,000,000.00

Net Surplus 6,290,058.01

Liabilities 9,377,059.68

*Assets 17,667,117.69

*Valuations on New York Insurance Dept. Basis

BRITISH AMERICA

Assurance Company

Toronto, Canada

Incorporated 1833

WESTERN

Assurance Company

of Toronto, Canada

Incorporated 1851

RICHMOND

Insurance Company

of New York

Incorporated 1907

SOUTHERN FIRE

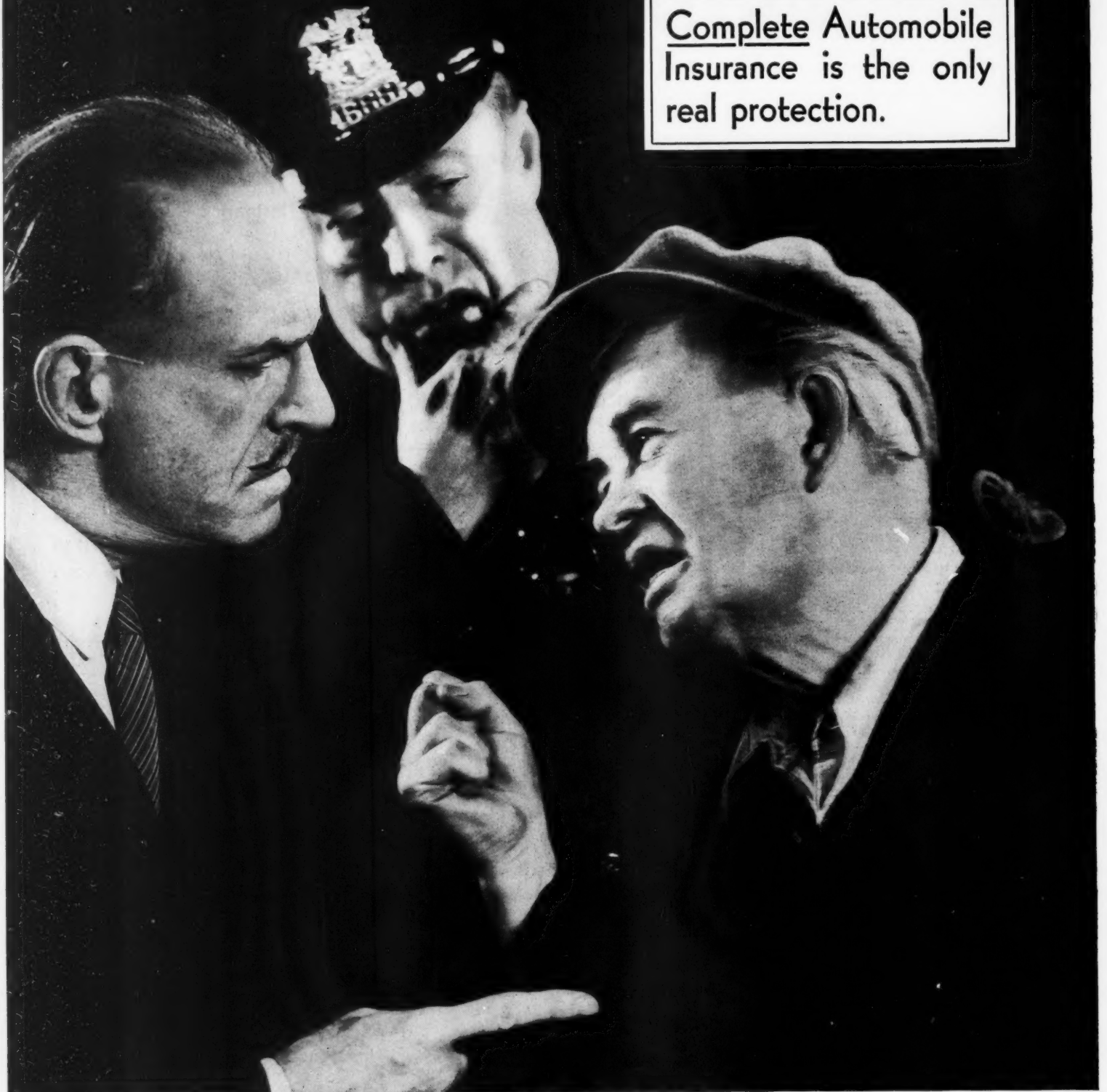
Insurance Company

of Durham, N. C.

Incorporated 1923

NO USE ARGUING!

Complete Automobile Insurance is the only real protection.



The AMERICA FORE GROUP of Insurance Companies
 THE CONTINENTAL INSURANCE COMPANY · FIDELITY-PHENIX FIRE INSURANCE COMPANY · NIAGARA FIRE INSURANCE COMPANY
 AMERICAN EAGLE FIRE INSURANCE COMPANY · FIRST AMERICAN FIRE INSURANCE COMPANY · MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY

New York, N.Y.

ERNEST STURM, Chairman of the Board

BERNARD M. CULVER, President

ERNEST STURM, Chairman of the Board

WADE FETZER, Vice Chairman

BERNARD M. CULVER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

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The National Underwriter

Thirty-Seventh Year—No. 2

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 12, 1933

\$4.00 Per Year, 20 Cents a Copy

Field Men Urged to Handle Losses

R. B. Ives Also Advocates Discontinuance of Use of Automobiles

PAPER READ IN BOSTON

Hatfield Hits Excessive Rate Refinements at Anniversary Dinner—Bailey Tells of National Board

Ralph B. Ives, president of the Aetna Fire, in discussing "The Field Man—His Obligations to His Company, Its Agents and the Public," at the 50th anniversary dinner of the New England Insurance Exchange, advocated special agents handling their own losses. Mr. Ives was ill and unable to attend the function, but his paper was read by Guy E. Beardsley, vice-president of the Aetna Fire.

The companies, Mr. Ives said, have robbed the field man of many opportunities by making his job too soft and easy for him. The companies have put him on a sort of pedestal instead of making conditions such that he would be compelled to take off his coat, roll up his shirt sleeves and get down to honest to goodness work.

Losers Fine Opportunity

The field man who turns his losses over to an adjustment bureau loses one of the finest opportunities he has, according to Mr. Ives. No matter how small the loss, a field man can make an impression, the value of which he can never measure at the time, he said. There is no better opportunity to meet an assured than the event of a dwelling or furniture loss. Such a contact is important, Mr. Ives said, for just as the strength of the building is in the thousand small bricks which go into the structure and not the ornamental cornice, coping or entrance trim, the business of the insurance company is not built up by the occasional big premium but by the ordinary run of assured.

Limitation of Field

In dealing with such an assured, the field man has an opportunity for his greatest development, he said. The field man must be a salesman, diplomat, good judge of character, construction engineer and some times a detective. The special agent can never tell when the settlement of a small, apparently insignificant loss may be the means of turning to his company a good sized premium.

Mr. Ives said that the territory of each field man should be sufficiently limited so that he could adjust every loss himself. There should be no better index to the real ability of the man and his interest for his company, agent and as-

(CONTINUED ON PAGE 10)

Thomas Asks Cooperation in the New Balance Rule

FIELD MEN ARE RESPONSIBLE

Important New Legislation Is Analyzed by W. U. A. Manager in Talk to Illinois Blue Goose

An overflow crowd turned out Monday at the meeting of the Illinois Blue Goose to hear C. F. Thomas, manager of the Western Underwriters Association, discuss multiplicity of policies and the new delinquent agency balance rule, adopted by the Western Underwriters Association. Mr. Thomas was introduced by John F. Stafford, western manager of the Sun.

The experimental phase of the balance rule, according to Mr. Thomas, is in the effort to put behind the rule the cooperation of all of the companies and their field men. The heart of the rule, he said, is in the call for each field man to file with the field club promptly each month identifying information of every delinquent balance. Upon the extent to which this requirement is met depends the success or failure of the rule, he declared. Ninety percent active cooperation on this point is the minimum with which the field men can afford to proceed, Mr. Thomas said.

Fears Are Calmed

Mr. Thomas declared that some people fear that operation of the rule will encourage the too frequent resort to establishment of agency trusteeship or other credit arrangements such as agreements to delay for the immediate present attention to the longest outstanding balances or an agreement effecting for an indeterminate period a stand still policy respecting past due accounts in consideration for resumption of prompt payment of currently arising balances.

Most of these arrangements, Mr. Thomas said, have been extremely disappointing.

There may be situations, he said, where agreements in trusteeship or an agreement to freeze back balances is justifiable, but the practice has been employed in many cases without a proper investigation of the potential financial strength and earning power of the agency.

The balance rule cannot be blamed for these mistakes, according to Mr. Thomas. They are the result of the evasion of the intent of the rule and reflect a disinclination on the part of the field club committee at once to face and grapple with a desperate situation. The balance rule, he said, cannot work magic in these cases.

Machinery Is Available

Mr. Thomas said the argument is made that the balance rule sets up too much machinery and will require too much time and expense to operate. The intention is, he declared, to operate the balance rule with the machinery already available—the field club organization. The rule had to provide for the presence or voice of every interested field man in every case, he declared, but it will not be necessary for every field man personally to appear at all conferences and meetings relating to agencies in

Fire Executives Striving to Maintain Drive on Balances

FIELD MEN LETTING DOWN

Extra Pressure in Closing Months of 1932 Brought Fine Results in Getting Overdue Funds

NEW YORK, Jan. 11.—To the surprise and gratification of managers of a number of fire companies the unusual pressure exerted by field men during the closing days of 1932 resulted in a decided improvement in balance collections, with a lower percentage of "rubber" checks than in former years.

An accompaniment of the catching-up process was the large amount of policies canceled "flat"; companies desiring to get rid of putting up reserves, at least where there was scant hope of collecting premiums from assureds.

Field Men Are Relaxing

After the unusual effort by field men on overdue balances, there is a notable relaxation of effort for a season, a condition company officials are endeavoring to prevent by insisting that pressure be maintained in the matter of balances so there may be no repetition of the experience in 1932 and the preceding year.

Overdue agency balances still constitute one of the most serious problems affecting the conduct of the fire business; thus far, however, no concerted action looking to its solution has been seriously proposed, the general opinion being that it is rather a question for individual company determination.

which he is represented. The agency committee work must be distributed.

In addition to those agencies already in default, attention should be given to any agency which reports to the field club show to be losing ground, Mr. Thomas said. Default should be prevented just as much as delinquency should be remedied. The present conditions are developing delinquencies progressively, he said, and if the trend is not checked its accumulated volume will make its own crisis.

Company Legislation

The operation of the rule within the limitations incorporated is left exclusively to the field club organization. The rule is company legislation and cannot be changed by action of field clubs. A wide latitude, he said, will be given field organizations to interpret the rule to meet existing or subsequently arising necessities of procedure in the various states, except that the inverse order of payment provisions may not be modified or changed. Probably many features will be revised, as experience is developed.

As to multiplicity of policies, Mr. Thomas said that reduction in their number to three standard forms will save the companies in the west \$200,000 a year. There has been some criticism of the move on the ground that inconvenience will be caused, especially in connection with dwelling policies, but on the other hand many people have endorsed the plan and some have advocated reducing the number of policies to

Pick Untermeyer As Joint Counsel

Pearl of London Seems to Be Girding Itself for Battle

FIREWORKS EXPECTED

Another Examination Has Been Made By the New York Insurance Department

NEW YORK, Jan. 11.—Samuel Untermeyer has been selected by the United States management of the Pearl Assurance of London to represent it as general counsel in company with W. P. Barker who has heretofore acted in that position alone. This appointment will interest insurance men, remembering that Mr. Untermeyer acted some years ago as counsel for the Lockwood committee of the New York legislature and whose attacks on fire insurance rating organizations generally, and the New York Fire Insurance Exchange specifically, brought up many sources of discomfort to the business. The Pearl management makes no explanation of the appointment except to state that while its previous legal advice has always been entirely satisfactory the present situation is such that "other considerations than law" have dictated this appointment.

Another Examination Made

It is understood that the New York insurance department has recently completed another examination of the Pearl and that a report on this was expected to be made public this week but it is now stated that another hearing will be held on Feb. 7 next. The Pearl management has been called upon for explicit information regarding a large number of risks assumed in various states. The schedule which has been prepared not only describes the risk as it is now written in the Pearl but also states the terms and conditions on which it has been before written in other named companies.

Attitude of New York Department

The attitude of Superintendent Van Schaick of New York seems to be that the operations of companies licensed in this state in other states properly are subject to review by his department. It is understood that the recent action of the Michigan department in relation to a farm risk alleged to have been written by the Pearl at a cut rate and resulting in a fine being imposed on the Pearl was taken after information about the policy had been sent to Michigan by the New York department.

one. Mr. Thomas pointed out that the use of the proscribed policies cannot be checked through the inspection bureau.

E. L. Rickards Analyzes the Chicago Theft Situation

AUTO TITLE LAW IS NEEDED

Branch Secretary National Automobile Underwriters Association Addresses Chicago Agents Association

The Chicago automobile theft situation was reviewed, the steps that have been taken to combat it were cited and plans for future treatment were outlined by E. L. Rickards, branch secretary of the National Automobile Underwriters Association, at the luncheon meeting Tuesday of the Chicago Insurance Agents Association in the Standard club.

Mr. Rickards said he pins his greatest hope for improvement on enactment of a certificate of title anti-theft law in Illinois, which will be sought at the present session of the legislature. He asked the agents to get behind such a bill. Mr. Rickards is chairman of a committee, which is drafting a certificate of title bill.

In Detroit, the theft situation was the worst in the country before a certificate of title law was enacted in Michigan. Now Detroit has one of the best records, he said.

Comparison With Milwaukee

Mr. Rickards' audience gasped when he said that there are more automobile thefts in Chicago in a day than in the entire year 1932 in Milwaukee. Last year there were 35,406 automobile thefts in Chicago. Eighty-one percent of the thefts were on seven makes of cars—Fords, Chevrolets, Buicks, Chryslers, Oldsmobiles, Pontiacs and Plymouths. Formerly, he said, the problem was to recover the stolen automobile in its entirety. Now the thieves take an automobile to a secluded spot and strip it, taking everything removable, including the interior upholstery. All that is left is the body and chassis frame. From an insurance standpoint what is left is unrepairable.

The recoveries of stolen automobiles have averaged 89 percent, but 75 percent of the recovered cars are completely stripped.

Fences, dealers and used part dealers furnish an outlet for stolen parts, which are unidentifiable. Even the manufacturer doesn't keep a record of tires sent to the dealers. The insurance company may dispose of a stripped car to some salvage dealer, who in turn may sell it to some hoodlum, who then goes out and steals more parts to build up a complete car from the body and chassis frame.

Under Cover Men Hired

The Automobile Protective Association has employed a number of under cover men and police details have been assigned to work with the protective association, which, according to Mr. Rickards has given information leading to the arrest of hundreds of thieves and fences. The problem is to get conviction. Most of the thieves are boys from the ages of 17-21, who get into the boys' court and are merely put on probation. It has been decided that the proper function of the protective association should be to give the regular constituted authorities the information on which to work and not to attempt to take the place of the authorities. The Chicago Crime Commission has been a great help, he said. That organization has watchers in every court keeping track of the automobile cases. Special prosecutors are now assigned to automobile cases. The mayor and chief of police are interested in the problem and at the instance of the mayor, the insurance companies have discontinued paying rewards to the police for recoveries.

Mr. Rickards recalled that last year

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Leader Dead



C. M. MARTINDALE

BALTIMORE, Jan. 11.—C. M. Martindale, vice-president of the Homestead Fire of this city, one of the Home group, died at his home early the morning of Jan. 7. He had been at his office the previous day, attending to business as usual. Mr. Martindale was probably personally known to a larger number of agents of the Home and its affiliated enterprises than any other of the head office attaches, for he had traveled extensively and by reason of his wide knowledge of insurance affairs and his willingness to aid local representatives in the solution of their problems, endeared himself to field men everywhere. Earlier in his underwriting career he had been identified with surety interests, subsequently entering the fire and the general casualty lines. He will best be recalled, however, for his association with automobile underwriting, having charge of that division of the Home's activities for 16 years, retiring in 1930 to become vice-president and secretary of the Home Indemnity. Last May he was transferred by President Kurth to this city as an official of the Homestead, since which time he developed the business of the company to a most satisfactory degree.

Mrs. Donna Gosnell Walker of Louisville, widow of the late R. K. (Pat) Walker, has incorporated the Walker Insurance Agency to carry on the business. Dr. and Mrs. T. E. Gosnell are the other stockholders.

Will Push Campaign to End "Phony" General Agencies

E. U. A. MAKES SPECIAL STUDY

Attention Is Also Being Paid Problem in Southern States and on Pacific Coast

NEW YORK, Jan. 11.—That members of the Eastern Underwriters Association and other regional governing bodies of the country are thoroughly in earnest in their determination to put an end to "phony" general agencies, is unquestioned. While some time must yet elapse before the effort proves wholly successful, distinct progress has been and is being made in that direction.

Some of the best known and longest established general agencies in the east already have dissociated themselves from their local connections, and others have notified of their intention to do so as speedily as proper arrangements can be effected.

E. U. A. Carrying on Study

The E. U. A. recently employed two persons to make a careful study of such general agencies throughout its jurisdiction as had not already cleared to determine their status. Having no particular company interest to serve, the investigators are free to study each office without prejudice and to report their findings impartially.

In the south and on the Pacific Coast the matter is being given the attention its importance warrants, and the conviction is general that in due course such general agencies as exist in the field will be practically restricted to those qualifying under the conditions laid down by the American Association of Insurance General Agents, whether members of that body or not.

Non-Conference Group Formed

LOS ANGELES, Jan. 11.—The Automobile Insurance Bureau of Los Angeles was organized here last week by representatives of 16 companies and general agencies. The organization will promote the interests of non-conference automobile insurance agencies, including the regulation of rates and territories.

Schumm Visits the West

A. H. F. Schumm of the Sussex Fire of Newark, N. J., was in Chicago this week. He went on to Omaha and from there will go to Denver. He may make a trip to the Pacific Coast.

Credit Situation Improving With More Rigid Policy Now

COMPANIES URGE PROMPTNESS

Agents Are Insisting That Policyholders Pay on Time or Submit to Cancellation

With the new year started, executives, managers and field men of fire and casualty companies are taking account of what is before them, especially in the way of credit. The question of credit has been a vexing one and has led to innumerable difficulties requiring new machinery, much more time and patience and with considerable loss resulting. Most will agree that gradually companies and agents are getting on a more substantial basis and are eliminating those that cannot pay. The companies are insisting that current demands be met. Where an agency has gotten far behind and it is necessary to put it in the hands of trustees or a committee, the delinquent accounts are separated from the current ones so that the office can meet its expenses and pay the companies the net amount due them on time. This has meant budgeting the allowance for the agent himself and his clerical help together with other overhead.

Many Offices in Trustees' Hands

There are hundreds of trusted agencies in the country. Just how much companies will be able to salvage from the old accounts remains to be seen as some of them are over a year old. As a rule, the current accounts were pretty well paid by the end of the year, bringing everything up to Oct. 1. Some companies made a most excellent record in this regard in comparison with the previous year.

Where there were bank troubles the situation was considerably aggravated. If an agent had his own funds tied up and many of his policyholders were in the same boat, it was a most difficult situation to deal with.

Many agents have been able to borrow money from the banks in the past from time to time to clear up their balances but the banks shut down on almost all agents during the year and the latter had to paddle their own canoes. This forced the agents to a showdown and it was found in many cases that the agents were using current premium income to pay accounts due companies a couple of months or more previous.

Testing Time for Agencies

The period has been a real testing time for agencies. Some offices that were prominent in days gone by have become financially involved and may finally be in eclipse. Others of smaller caliber that were built on a sound financial basis and have been conservative will now come to the front and undoubtedly will be the agencies of the future. With companies insisting on balances being paid, agents are forced to curtail credit with the assured and insist that premiums be paid on the dot or policies will be canceled.

Simpson Western Canada Manager

R. P. Simpson has been appointed branch manager for the Sun of London group for the prairie provinces of Canada. He was formerly with the Ryan Agency in Winnipeg, and previous to that with the Western Canada Insurance Underwriters Association.

Valuations in Kentucky

FRANKFORT, Jan. 11.—A ruling has been made by W. R. Attkisson, assistant attorney general, that securities of insurance companies in Kentucky may be valued under provisions of the resolution of the National Convention of Insurance Commissioners.

THE WEEK IN INSURANCE

R. B. Ives, in Boston speech, advocates field men handling all their losses, being confined to a smaller territory and ceasing the use of the automobile. **Page 3**

Samuel Untermyer, well known New York attorney, has been appointed by the Pearl of London as general counsel in company with W. P. Barker. **Page 3**

C. F. Thomas, manager of the Western Underwriters Association, describes the new delinquent agency balance rule of his organization. **Page 3**

Signs of relaxing on agency balance collections among field men cause fire company executives to call for maintenance of pressure. **Page 3**

New England Insurance Exchange 50th anniversary celebration marked by notable galaxy of speakers. **Page 5**

C. M. Martindale, vice-president of the Homestead Fire of Baltimore, one of the Home group, formerly prominent as head of the Home's automobile department for 16 years, is dead. **Page 4**

Effort to eliminate "phony" general agencies being carried on energetically in the east and elsewhere by governing organizations. **Page 4**

E. L. Rickards outlines Chicago automobile theft situation in talk to Chicago Insurance Agents Association. **Page 4**

Southern Fire of Durham, N. C., purchases the Wheeling Fire. **Page 10**

Much interest is being taken in the proposal to fix the top commission for compensation insurance at 10 percent. **Page 23**

Bureau of Personal Accident & Health Underwriters will increase the charge on reimbursement feature of accident policies 16 2/3 percent April 1. **Page 25**

Board of Casualty Underwriters of the Pacific organized in San Francisco to stabilize conditions on the Pacific Coast. **Page 26**

General Manager Jones of Casualty Executives Association warns public in nation-wide radio talk against oppressive taxation of insurance by government. **Page 26**

Union Indemnity receivership is the most spectacular insurance company failure in the depression. **Page 25**

Boston Gathering Brilliant Event

Executives, Field Men Join in New
England Exchange Anni-
versary Dinner

ADDRESSES STIMULATING

Attendance Numbers 400—Paper of
Ralph B. Ives Was Big Feature
of the Program

Fire insurance executives of national importance joined with New England company officials and field men around the banquet table in Boston to celebrate the 50th anniversary of the founding of the New England Insurance Exchange, nearly 400 being in attendance.

The five speakers who appeared on the program reviewed the conditions leading up to the foundation of the exchange and the stabilizing influence the organization has had on the insurance business in the northeastern section of the country, reviewed the present day conditions in the business, outlined the possibilities for the field men and presented some general observations upon the outlook for the future.

C. H. Senter, president of the exchange, presided at the dinner. Ralph Sweetland, secretary of the exchange for some seven years, spoke on "Some of the conditions in the fire insurance field preceding the formation of the New England Insurance Exchange."

Address of Hatfield

Frank C. Hatfield, vice-president Phoenix of Hartford and chairman of the committee on rates and rating methods of the E. U. A., spoke on "Coordination of rating practices and methods in Eastern Underwriters Association territory."

C. W. Bailey, president American of Newark and National Board, discussed "The National Board—How it is aiding in our fire insurance problems."

Owing to ill health, President Ralph B. Ives of the Aetna Fire was unable to be present, but his speech, which proved to be the most enlivening event of the evening, was read by Guy E. Beardsley, vice-president of the Aetna.

The concluding address, "Observations on the present and future of the fire insurance business," was delivered by Cecil F. Shallcross, United States manager of the North British & Mercantile and president of the Eastern Underwriters Association.

Edward Lanning Honored

Special tribute was paid Edward Lanning, the only survivor present of the charter members of the organization, the other survivor being Arthur C. Clarke of Los Gatos, Cal., who sent a telegram of congratulations. Another telegram came from C. M. Goddard, many years secretary of the exchange, who was unable to be present.

All the living ex-presidents of the exchange were present and seated at the head table. They were F. F. Wetherbee, 1898 and 1907; Gayle T. Forbush, 1906; W. H. Winkley, 1919-21; Abel M. Wood, 1921-23; William Levis, 1924-25; W. H. Boutwell, 1926-27; M. G. Wright, 1928; H. R. Worthley, 1928-29, and J. F. Gough, 1930-31.

Most impressive was the tribute when the assembly stood in silence to the memory of the late Calvin Coolidge, "an insurance man," and those members of the exchange who have passed on, while a trumpeter sounded "taps."

(CONTINUED ON PAGE 11)

National Board Head Gives Boston Address



C. WESTON BAILEY, Newark, N. J.

President C. W. Bailey of the American of Newark, who is also president of the National Board, was one of the chief speakers before the banquet of the New England Insurance Exchange. Mr. Bailey is one of the outstanding executives of the country who has the esteem of the entire fraternity.

Fire Department Teachers Hold St. Louis Conference

ST. LOUIS, Jan. 11.—Fire department instructors of middle western and southern rating bureaus held a conference here last week. These men, who drill volunteer and part-paid fire departments, and help the chiefs in fire prevention inspection work and in obtaining municipal fire prevention legislation, usually meet each year to discuss the problems of small fire departments, and to make their instruction methods uniform. The sessions were devoted to addresses, discussions, and actual fire department evolutions. This organization is a clearing-house of fire department methods for the instructors, where the men can exchange ideas for the benefit of the group. All meetings were held at the drill school of the St. Louis fire department, with R. E. Vernor, Western Actuarial Bureau, presiding. About 25 full-time and part-time instructors attended, with interested visitors and firemen swelling the total to about 60.

The sponsors of the conference hope to make it an annual affair. It is also intended to issue standard inspection blanks, department rules, and apparatus-checking forms to fire departments interested. Among the speakers was Carl G. Lund, president Oklahoma Fire Prevention Association, who gave his "Behind the Scenes of Fire" address.

Will Discuss Balance Situation

MILWAUKEE, Jan. 11.—Plans to take care of the agency balance situation in Wisconsin in 1933 will be discussed at a meeting of the Wisconsin Insurance Club, composed of field men of Western Bureau companies, at Oshkosh, Jan. 25. At previous meetings opinions were expressed that an effort should be made to improve the situation in Wisconsin by attempting to bring non-cooperating members into line and to withhold information from members who fail to cooperate.

Will Appoint Indiana Special

The Century of Scotland will appoint a field man in Indiana. An executive from United States headquarters in New York is looking over the talent.

No Authoritative Statement Made by the Technocrats

Both at the height of a boom period and at the bottom of a depression, economic discussions which usually remain in the classrooms or in meetings of economists and sociologists, reach the front pages of the newspaper, particularly when there is an element of sensationalism in these discussions. Just now the economic subject of popular discussion is technocracy.

Technocracy is a term which has been applied both to certain economic facts announced by the technocrats and also to the interpretation given to these facts by members of the group. However, no authoritative statement setting forth what the technocrats believe in or have discovered has been issued or will be issued. This occurs because within the large group of scientists and students interested there is a wide divergence of opinion.

Disavowed "New Outlook" Articles

When Dr. Walter Rautenstrauch, professor of industrial engineering at Columbia University, spoke in Cincinnati recently, he definitely disavowed the articles appearing in the "New Outlook" as representative of the teachings of technocracy. He said that articles of that kind were ballyhoo and went far beyond what various students of the group would accept. On the other hand, he emphasized with many charts facts about production possibilities, re-

vealing unprecedented problems to the present generation. Dr. Rautenstrauch's position seemed to be that technological advances and possibilities, even when stated in terms of those who dispute the figures of technocracy, indicate a necessity for social changes of far reaching effect.

Dr. Rautenstrauch has written what many industrialists consider to be the best book on business management for profit making. What will interest many people more than that, he has demonstrated his capacity as a business manager by producing profits with unprecedented success for a company which had been losing money when he took charge of it. He is regarded as one of the conservative members of the technocracy group and as one of its most reliable spokesmen.

Technocracy announces no special message for insurance and affects insurance only as the latter is bound up with social life. Statements by the extremists among the technocrats to the effect that insurance is soon to disappear in utopian technological society have the same standing as all such descriptions. Those who believe that the discussion about technocracy may lead to some good say that anything which will arouse business men and citizens generally to a serious consideration of present problems is performing a first class service.

New Balance Rule Passed by Illinois Fire Underwriters

The new delinquent agency balance rule of the Western Underwriters Association was adopted and a relief fund set up at the semi-annual meeting of the Illinois Fire Underwriters Association in Chicago.

There was much discussion of the effect of the new balance rule upon the company which suspends an agency some time before the field club committee meets on that agency. Under the old rule, the claims of the company which suspended the agency were given priority. Under the new rule, which provides for the payment of balances in inverse ratio, the company which made the suspension would be at a disadvantage.

This is one of the features of the balance rule which will undoubtedly be ironed out in time.

Each member of the association will pay \$1 a month for five months and \$1 a year thereafter into the relief fund. J. E. Mattimore of the Phoenix of London is chairman of the committee in charge of administering the fund.

Adopt Premium Tax Surcharge

TORONTO, Jan. 11.—The Canadian Fire Underwriters Association announces that its members will add a surcharge of 2 percent to fire insurance premiums to take care of anticipated additional and present provincial and federal taxation effective March 2. This will meet only part of taxes, which now amount to over 4 percent of premiums.

Hubbell Examiners' Speaker

Associate Manager Jos. G. Hubbell of the National Inspection Company, a graduate chemical engineer, will speak at the meeting of the Fire Insurance Examiners Association of Chicago in De Met's restaurant, Board of Trade building, Jan. 19, on "Chemical Fire Hazards." The dinner is scheduled to start at 5:30 p. m.

New Arkansas and Oklahoma Handbook Is Off the Press

The new Underwriters Handbook of Arkansas and Oklahoma comes from the press of THE NATIONAL UNDERWRITER. The combination book gives full insurance information concerning the two states. In addition to a complete directory of agents by cities and towns giving companies represented, there is a company directory, list of general agents, digest of insurance laws, statistics of companies showing the business in the states for the last six years.

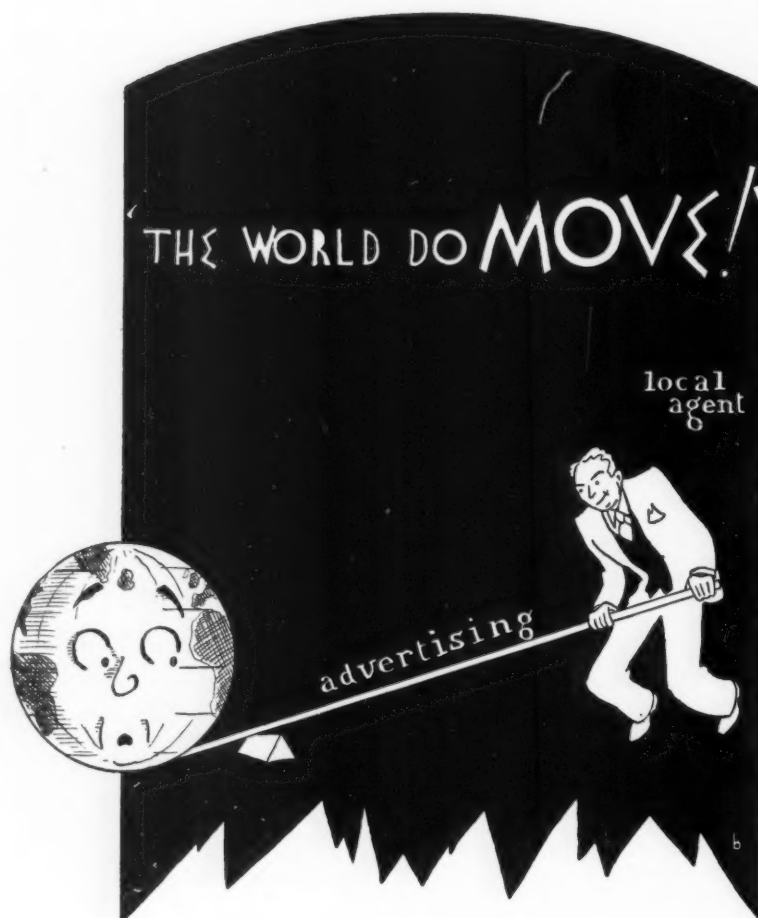
Tells About the New Agency Balance Rule



CHARLES F. THOMAS

In an appearance before the Illinois Blue Goose Monday, C. F. Thomas described the new delinquent agency balance rule of the Western Underwriters Association, of which Mr. Thomas is manager.

Yes; "the world do move" when Advertising is the Lever and you, Mr. Agent, are the Motive Power....
Especially when energized by our local-agency custom-tailored advertising plans.



Why, do you know that during the last twelve months 31% more of our Agents are using our custom-tailored advertising facilities than ever before?

Evidently they appreciate our earnest efforts to act for them as if this were their very own advertising department - directly responsible to them for results.

This individualized advertising service is free to our Agents merely for the asking.

North British & Mercantile Insurance Company, Ltd.
The Commonwealth Insurance Company of New York
The Homeland Insurance Company of America
The Mercantile Insurance Company of America
The Pennsylvania Fire Insurance Company

Copr. 1933 North British & Mercantile Ins. Co., Ltd.

AS SEEN FROM CHICAGO

INDEPENDENTS NOT OUTLAWED

Automobile loss adjustments and the expense of adjusting fire and automobile claims were the principal topics of discussion at the last meeting of the Western Loss Association.

When the agreement with the Chicago Automobile Trade Association was reached last summer and the plan was announced to the companies, it was stated that the agreement did not contemplate the elimination of the legitimate independent shops. There was no thought or intention that legitimate independent shops should be denied the opportunity to bid on repair jobs. It was thought that some adjusters had overlooked this fact and had failed to take advantage of the competitive position of the legitimate independent shops.

The opinion was expressed that some independent adjusters had failed to follow the present trend toward lower prices and were continuing to make the same, or practically the same charge for services as heretofore.

NORWICH UNION ROUNDUP

A roundup of western field men of the Norwich Union was held at the Stevens hotel in Chicago Tuesday and Wednesday of this week. Hart Darlington, United States manager, and W. M. Frink, general agent at the head office, were on hand.

MILLERS NATIONAL RALLY

Seven field men of the Millers National of Chicago gathered at the head office Monday and Tuesday of this week for a conference with home office officials. On Monday a luncheon was held for them at the Midland Club. Those on hand were John T. Harding, Illinois; D. R. Stephens, Indiana; G. P. Johnson and J. H. Thomson, Ohio; G. C. Hoffman, Missouri and Kansas; C. R. Chapman, Wisconsin, and T. W. Anderson, Philadelphia.

BECOMES UNIVERSAL ADJUSTING

Title of the Roy M. Todd Adjustment Company in the Insurance Exchange, Chicago, has been changed by the directors to the Universal Adjusting Company. Mr. Todd continues as manager of the Universal Adjusting, which

continues in a general adjusting business exclusively for the companies. Mr. Todd has been a prominent adjuster for the companies in Chicago for 15 years. The Universal Adjusting maintains a competent staff of adjusters to handle all lines of insurance claims and as in the past will specialize in losses in Chicago and Cook county and within a radius of 100 miles of Chicago.

FINANCE RESTRICTION OFF

Directors of the Chicago Board have withdrawn a previous restriction as to the use of premium financing plans by members, who are now free to adopt or use any finance plan approved by their companies, provided the procedure involved does not conflict with any rule or regulation of the board. In July, 1930, the executive committee of the board, for the time being, disapproved all special finance plans for the installment payment of premiums.

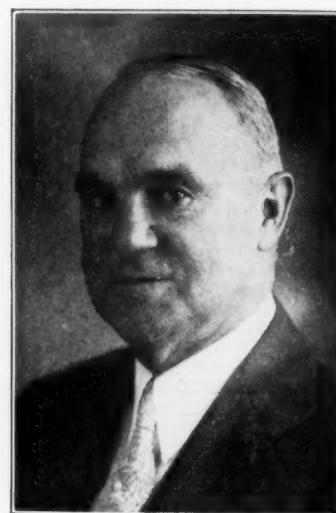
BROKERS URGE LAW CHANGES

One of the main topics to be discussed at the quarterly meeting of the Insurance Brokers Association of Illinois to be held Jan. 20 undoubtedly will be two proposed amendments to the brokers' and solicitors' qualification law which have been submitted by the brokers to the insurance advisory committee, preparatory to their introduction in the legislature. The brokers hope to amend the law so that before a broker's license is issued his application shall be submitted for approval to the board of examiners, consisting of five men appointed by the insurance superintendent who have at least five years' practical experience as insurance brokers, who shall serve for a period of two years and shall be required to take an oath of office. Examination for applicants would be held four times a year. The board under the plan whenever necessary in order to determine the trustworthiness and competency of the applicant, either for new or renewal license, might require him to submit to personal examination either oral or written, to be held in the county in which he resides or where he has his principal place of business. It is proposed the examiners will be compensated on a basis of \$10 per

Chicago Board Nominees



CHARLES BURESH



L. E. YAGER

At the annual meeting of the Chicago Board Jan. 26 L. E. Yager will be elected president and Charles Buresh of Fred S. James & Co. will be elected vice-president. Mr. Yager has served as vice-president of the board for two years and he will succeed P. B. Hosmer, the outgoing president. Mr. Yager at present is on a hunting trip in Virginia with H. P. Jackson, president of the Bankers Indemnity.

dium and allowed 2 cents a mile transportation.

The second amendment would authorize appointment of a deputy superintendent with at least five years' practical experience as an insurance broker, whose duty would be to supervise brokers' qualifications and maintain an office in Chicago.

Various committees will report at the brokers' meeting, especially those on the national brokers association project, membership and non-stock companies. President A. S. Schwartz has received more than 100 responses from fire and casualty company executives to his letter urging favorable action on the plan to hold an insurance exhibit at the world's fair, most of the letters, however, referring him to the National Board and National Bureau of Casualty & Surety Underwriters, in which authority to decide for the companies was vested. Mr. Schwartz is in touch with H. V. Chapman, advertising manager of the Ohio Farmers and chairman of the special committee of the Insurance Advertising Conference on the exhibit project. President Schwartz and F. P. Lavin, immediate past president, have just returned from Springfield, Ill., where they conferred with Superintendent Hanson on renewal of brokers' licenses and more rigid enforcement of the qualification law.

* * *

HOME'S FORCES CONSOLIDATE

The Home of New York's forces in the Insurance Exchange, Chicago, moved into their new quarters in room 1723 at the end of last week. The Cook county department, under Manager E. R. Hurd and Assistant Manager J. C. Starrett, and the service department of McKarahan & Pfafflin, managed by E. V. McKarahan and T. K. Pfafflin, are now in the new quarters. C. D. Lasher, general manager, also is installed there. State Agent A. H. Knight is in room 2011, occupying a portion of the National Liberty's office. The Home Indemnity's claim department, under Manager Leo Mahoney, moved from A-1743 into the Brooks building, 223 West Jackson boulevard, and is quartered with the farm department of the Home fleet, managed by F. H. Cornell. The joint automobile policies written in the Home companies and the Home Indemnity will be handled by Mr. Hurd's department. The space occupied by the Home in the exchange includes the old space formerly occupied by the Home Indemnity and Southern Surety, the old Herrick, Auerbach & Vastine space and about half of the space of Cloidt, Gielow & Dudley, ceded by that agency. This consolidation provides a complete over-the-counter service in the one office, including a nation-wide binding service.

* * *

UNDERWRITERS ADJUSTING SHIFTS

The Underwriters Adjusting Company announces that V. B. McDowell, former manager at Aberdeen, S. D., has taken charge of the Peoria office, Manager Richmond having been placed on the reserve list. Mr. Richmond has served the companies for many years, having been an independent adjuster at Peoria before taking over the management of the Underwriters Adjusting Company.

R. G. Peabody, formerly attached to the Underwriters Adjusting Company Terre Haute branch, has been transferred to Peoria to take the place vacated by the retirement of E. T. Collom.

* * *

HIESTAND IS APPOINTED

J. C. Hiestand, the new secretary of the Ohio Farmers, who succeeded the late D. W. Crane, takes the latter's place as a member of the Western Insurance Bureau and succeeds him as a director of the organization.

* * *

ROTHERMEL BECOMES ASSOCIATE

Sam A. Rothermel has become an associate partner in the Chicago agency of Moore, Case, Lyman & Hubbard. He graduated from the University of Chi-

cago and in 1919 following his discharge from war service, he entered the office of Moore, Case, Lyman & Hubbard as assistant to F. W. Moore, head of the firm. G. W. Griffin, an associate partner, who has been with the office for 48 years, has been relieved from active duty.

* * *

W. M. Sheldon, manager of the fire department of W. A. Alexander & Co. in Chicago, is recovering from an operation for appendicitis. He is secretary of the Chicago Insurance Agents Association.

* * *

G. W. Cloidt has been elected Class 1 member of the Chicago Board, succeeding his brother, E. J. Cloidt, deceased.

Threats Against Insured Concealed; Cover Invalid

Judgment against the Great American has been reversed by the Kentucky court of appeals, the insurer having denied liability on the ground that the assured had concealed the fact that threats had been made against him. Dr. Clayton, a mine physician, under contract with the employees, was the insured. There was feeling against Dr. Clayton because he had refused to accept a reduction in salary or to sur-

render the buildings occupied by him, so the miners could employ another physician. Threats were made against him. He sought to protect his property by taking out additional insurance.

By Dr. Clayton's own admission, according to the court, his fear of danger to the property was the moving cause of procuring the insurance and the fact producing this fear should have been disclosed to the insurer. An insurer acting reasonably and naturally in accordance with the practice usual among fire companies under similar circumstances would not have insured the premises if the fact had been disclosed.



1848-1933

An Ohio Farmers insurance policy in 1848 was a contract of sound and liberal protection, just as it is now 85 years later. Although the testing years since 1848 have brought changes in contracts and changes in methods of carrying on business, Ohio Farmers integrity and conservative soundness still remain as cornerstones of a rugged structure. . . The same high standards that built this strong Company keep it strong. The same sympathetic understanding of field problems that long ago made the Ohio Farmers "an agent's company" gives it fame today for cooperation with agents. . . Perhaps your agency needs a Company with a record of service and success since 1848. If so, it will pay you to ask the home office if there is a franchise available in your city.



OHIO FARMERS INSURANCE CO., LEROY, O.

CHANGES IN THE FIELD

Transfer Bridges to Illinois

**Grand Supervisor of Blue Goose Fills
Home of New York Vacancy
in Field**

L. H. Bridges is being transferred by the Home of New York from the Nebraska field to Illinois to fill a vacancy



L. H. BRIDGES

caused by the transfer of Special Agent W. E. Mallalieu, Jr., from Illinois to New Jersey. Mr. Bridges is nationally known, inasmuch as he is grand supervisor of the Blue Goose and, according to precedent, will be elevated to most loyal grand gander this year.

Mr. Bridges' headquarters will be in Chicago and he will travel under the jurisdiction of State Agent A. H. Knight.

Started in Indiana

Mr. Bridges started in the field with the Home in Indiana in 1920. The next year he was transferred to Nebraska and traveled from 1924 in the farm department and since that time for the recording business. He was elected grand keeper of the Blue Goose at the meeting in Rapid City, S. D., in 1930. For five years he was wielder of the

Nebraska pond and for two years was deputy grand gander for Nebraska, Iowa and Kansas.

J. C. Swisher

J. C. Swisher of Des Moines, who has been Iowa state agent for the Morrison & Clark general agency at Omaha, has been appointed state agent for the Corroon & Reynolds group in Iowa and Nebraska.

John W. Besterman

John W. Besterman has been appointed special agent for the Allemannia Fire in Indiana and Illinois, with headquarters at Indianapolis. He is being transferred from the West Virginia field. He has had special agency experience in Ohio.

Harold J. Kirkham

Harold J. Kirkham has been appointed state agent in northeastern Ohio for the Scottish Union & National, American Union and the Central Union, with temporary headquarters at 210 Hoster building, Columbus. Mr. Kirkham has been traveling Ohio for the Svea and Hud-

son. He was formerly with the Great American in the same territory.

George C. Peacock

George C. Peacock, one of the home office examiners of the Agricultural, has been assigned to the Wisconsin field to assist State Agent John R. Brown. He will make his headquarters in Milwaukee with Mr. Brown.

G. E. Moore, H. A. Reynolds

George E. Moore of Denver has retired as state agent for the City of New York and Halifax Fire, which have been taken over by Howard A. Reynolds, state agent of the Home.

Maxwell G. Sweitzer

Maxwell G. Sweitzer has been appointed special agent for the Buffalo in Iowa, Nebraska, Minnesota and Missouri. Mr. Sweitzer was formerly special agent in northern Nebraska and South Dakota for the National American of Omaha.

F. H. Urner, H. G. Spaulding

Following the transfer of H. G. Spaulding, former Maryland state agent Great American, to Florida, F. H. Urner has been named Maryland state agent with headquarters in the Franklin building, Baltimore.

boxing contests. A block of ringside seats has been reserved for Blue Goose members, who may bring guests.

Rhoades, Thomas Comment on Trusteeship Competition

Sumner Rhoades, manager of the Eastern Underwriters Association, has issued a statement in connection with the complaint that has developed, in some quarters to the effect that trustee agencies, which are company operated, offer unfair competition to solvent agencies, especially in credit accommodations to clients. An article reporting this point of view appeared in THE NATIONAL UNDERWRITER a week ago.

Mr. Rhoades said that the companies in trusteeing an agency are seeking to obtain money and rehabilitate and perpetuate the agency. The companies do not desire to enter the local agency field, preferring to get their revenue from qualified local agencies. Those agencies that are trustee are in trouble, he said, either through operations other than insurance, through excessive drawing accounts, including expensive office operations, or through over-extension of credit.

When an agency is taken over, the first effort is to insist that overdue accounts be collected or the liability retired and that the current operation of the agency be paid within the usual credit period. Mr. Rhoades requested that his office be informed of specific complaints.

Charles F. Thomas, manager of the Western Underwriters Association, was asked about this sort of competition after he had completed a talk before the Illinois Blue Goose Monday of this week. Mr. Thomas said that agents who have any complaints about company operated agencies extending undue credit to clients, which the other agents are not able to do on their own resources, should be referred to the Western Underwriters Association and remedial steps will be taken.

Kikendall Seriously Ill

W. C. Kikendall, secretary-treasurer of the Troxell, Kikendall & Co. agency of Springfield, Ill., is seriously ill in a hospital in his city.

George L. Mager, New Jersey state agent for the Concordia for a number of years past and prior thereto secretary of the Western of Pittsburgh, is in the Lincoln Hospital, Newark, for a minor operation.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

PRENTISS REED'S COURSE

Prentiss B. Reed of New York City, vice-president of Wagner & Glidden, well known adjusting firm, is offering during the spring session of Columbia University a course on adjustment of fire losses. It will cover adjustment procedure, ordinary problems, contract conditions, adjusting technique, methods of determining value and loss, handling of claimants. The course will consist of 14 class periods on Wednesday evenings from 7 to 8:40 o'clock, commencing Feb. 8. Mr. Reed's office is at 116 John street, New York.

Y. M. C. A. SWITCHES COVER

Rewriting of property of the Y. M. C. A. of New York City in a group of New England mutuals has caused the mutual-stock controversy to take on new bitterness. The Y. M. C. A. had been carrying its business in stock companies through the John A. Eckert & Co. brokerage firm. The line was canceled short

and rewritten in the mutuals. Several stock company representatives have written to G. S. Bilheimer, business manager of the New York City Y. M. C. A., to the effect that the institution has been well supported by stock company people and that stock company employees are members of the organization.

MILLER TO "HERALD-TRIBUNE"

George Miller, former insurance editor of the New York "Evening Post," has gone with the New York "Herald-Tribune" to conduct its insurance department.

WILL SEE BOXING CONTEST

An innovation in the way of entertainment will be offered to members of New York City Blue Goose, at the next dinner meeting Jan. 20 at the Newark Athletic Club. The dinner and a short business meeting are scheduled for 6 p. m. At 8:30 members will adjourn to attend the club's program of amateur

MARSH & McLENNAN

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WINNIPEG**

**SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
VANCOUVER**

CLEVELAND

LONDON

DULUTH

Plan of Using Joint Field Man Watched with Interest

Experiments being conducted in South Dakota by the Fire Association and Fireman's Fund in having a joint field man there will be watched with much interest by many companies. If the arrangement proves satisfactory, it is likely to be adopted by other companies in states which are large in extent but produce a comparatively small volume of premiums.

The problem of the sparsely settled states is always with the companies. A general agency connection sometimes seems to be the answer, although some companies are opposed to the general agency principle, since, when such a connection is terminated, the agency plant developed by the general agent is not turned over to the company and consequently the plant is not permanent. On the other hand, to develop this territory through a field man is likely to be too expensive in view of the income to be derived. It may be, therefore, that the plan of two or more companies employing joint field men may prove a most happy arrangement.

On the coast, competing companies are represented under one management and one field man may travel for different interests. These arrangements have worked out successfully on the coast, and they may be extended to other parts of the country. The cooperating companies must be of about the same size and write the same class of business.

Gould Heads New Orleans Agents

NEW ORLEANS, Jan. 11.—The New Orleans Insurance Exchange has elected as president, Charles Gould; Stewart Maunsell, vice-president; Linden Braud, secretary, and Auguste Coiron, treasurer. New members, board of directors are Irving Ferguson, Maurice Hartson, Jr., and Leonard Wise.

Field Committees Appointed

F. R. Ingledew, president Cook County Field Club, has appointed the committees, L. P. Warren of Klee, Rogers, Loeb & Wolff, being chairman of the board relations committee; D. A. Bickhart, Connecticut Fire, membership; A. H. Wishard, America Fore, publicity; and F. A. Dapper, Sun, "punk risk." The next meeting will be Monday at the Atlantic hotel with Prof. Fred Merrifield of the University of Chicago as the speaker.

Another R. I. Commissioner

PROVIDENCE, Jan. 11.—Subject to confirmation by the state senate, T. D. Higgins has been appointed insurance commissioner of Rhode Island by Governor Green. He has been in the local agency business at Pawtucket since 1907.

Confirmation is in doubt, as the governor is a Democrat and the senate is Republican. The retiring governor last week named O. L. Heltzen for the post.

Haughton Heads New Jersey Club

At the annual meeting of the New Jersey Field Club, held in Trenton, the following officers were elected: President, Charles Haughton, Northern; vice-president, Robert Sheppard, America Fore; secretary, W. W. Du Pont, Crum & Forster, and treasurer, Homer Howell, American of Newark.

C. H. Cottrell Ends Life

C. H. Cottrell, postmaster of Quincy, Ill., and veteran local agent there, committed suicide Tuesday by shooting himself.

Firemen's of Newark Meeting

At the annual stockholders meeting of the Firemen's of Newark President Neal Bassett in his report stated that

the company for the first 11 months of 1932 showed a profit of \$1,348,000 but that there was a decrease of about 10 per cent in the premium income. He also stated that expenses had been reduced about \$1,400,000.

E. H. Clarkson Transferred

E. H. Clarkson, special agent for the Crum & Forster companies in Minnesota, is transferred to Oklahoma where he will work under the supervision of State Agent J. K. Snodgrass. Mr. Clarkson formerly traveled in Oklahoma for the group but was transferred to Minnesota a year ago.

Should Check Up on Accounts

Sound values have decreased so far that in many instances the amount of insurance placed on buildings three years ago entitles the assured today to a co-insurance clause or if the business was written with a co-insurance clause three years ago, may entitle the assured to a higher percentage co-insurance clause. Some business is passing around because agents are neglecting to watch the accounts on their books, giving the customer the benefit of the co-insurance rate when he is entitled to it.

Insurance Stocks Fare Better Than Most Other Kinds

By the tests of stock security valuation and number and amount of loans from the Reconstruction Finance Corporation, insurance has maintained its essential quality of dependability during this depression. Facts and figures to substantiate these statements were presented by Dr. F. E. Wolfe, economic research department, Procter & Gamble, Cincinnati, and former professor of insurance at the University of Illinois, in a recent public address.

Dr. Wolfe cited underwriting gains for the stock fire companies in 1930 of 2 percent and in 1931 of 5.1 percent figured on the basis of premiums earned, and underwriting losses and expenses incurred. During this recent period of rapid decline in premiums written, there has been a wide difference between the amount of premiums written and the earned premiums. For instance, Dr. Wolfe pointed out that from 1929 to 1931 premiums written declined \$200,000,000 or 21 percent but earned premiums were

only \$100,000,000 or 10.5 percent less.

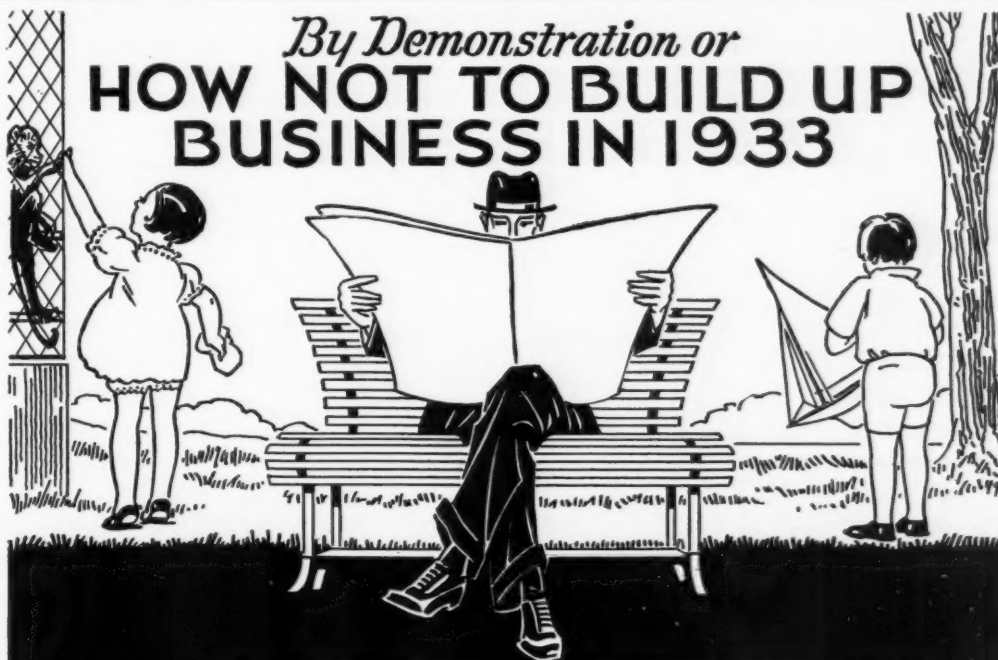
The figures for the casualty companies in 1930 as given by Dr. Wolfe showed underwriting losses of above 6 percent for that year and in 1931 4 percent of earned premiums, while averaged over the last five years their loss is approximately .8 of 1 percent.

Position of Insurance Stocks*

Analyzing the position of insurance stock values in comparison with values of other organizations, Dr. Wolfe said: "The 1932 low point of 20 New York City banks was 9.1 percent of their 1929 high, while that of fire insurance companies was 16.2 percent and of casualty and surety companies 8 percent. This 16.2 percent compared with 7.5 percent in the case of railroad stocks and 16 percent in case of utilities. The Dec. 14 value of fire insurance stocks was 30 percent of its 1929 high, while the bank stocks were only 14 percent, utilities stocks were 25 percent, and the other groups were lower."

The total authorized loans to insurance companies up to Nov. 1, by the Reconstruction Finance Corporation, according to Dr. Wolfe, aggregated \$76,402,200 to 89 different companies. This amount constituted 5.2 percent of the total authorized loans of the corporation.

By Demonstration or HOW NOT TO BUILD UP BUSINESS IN 1933



TAKE IT EASY! Don't work twice as hard as you ever did before! Your competitors might, but that won't concern you! Don't advertise! Though advertising is responsible for many great business successes, it can't help you. Don't insist on collecting your accounts! Your clients respect you more if you carry them along indefinitely. Absurd, of course . . . Vice Versa. Keep smiling and plugging away constantly. But some day when you really have a spare moment, muse a bit on how the "Springfield Group" keeps constantly at it to help its agents build up their agencies. And if you think our assistance might be vital to you, ask us about it.

THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849

Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

Harding & Linsinger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Pindley, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts

Specify Stock Fire Insurance

NEWS OF THE COMPANIES

Two Companies Are Merging

**Southern Fire of Durham, N. C., and
Wheeling Fire Unite Under Name
of Former**

The Southern Fire of Durham, N. C., has purchased the assets and good will of the Wheeling Fire of Wheeling, W. Va. Crum & Forster of New York are managers of both companies. It was necessary for the Southern Fire to purchase the Wheeling Fire because North Carolina laws do not permit merger of insurance companies. The Southern Fire has capital \$200,000 and surplus of \$400,000. Its assets are about \$1,200,000. Each share of stock of the Wheeling Fire, par value \$100, is to be exchanged for 5.24 shares of stock of the Southern, par value \$10. Each share of Southern Fire stock, par value \$25, is to be exchanged for 1.19 shares of new stock of the Southern Fire, par value \$10.

Plan of State Assurance

The State Assurance of Liverpool, which ceased writing business in this country on Dec. 31, will remain in the United States and carry its own business to expiration, according to Gayle T. Forbush, United States manager. The original plan was to reinsure the United States business of the State Assurance in the Royal Exchange, with which it is associated in this country.

Marquette National Dividend

A second cash dividend, amounting to 10 percent of the adjudicated claims, to

the creditors of the defunct Marquette National Fire of Chicago, has been ordered by Superior Judge Lindsey of Cook county on recommendation of Receiver Alvin S. Keys. The distribution will amount to about \$100,000. The first dividend, which was for 15 percent, was paid in April. Another dividend to creditors may be possible, Mr. Keys said.

Will Report to Hartford

Agents of the Minneapolis Fire & Marine in Michigan, Ohio, Chicago and Cook County, Ill., instead of reporting to the head office will hereafter report to the Phoenix of Hartford, which owns the Minneapolis F. & M. The Phoenix of Hartford will thus act as general agents for this territory.

Western & Southern Fire

The new statement of the Western & Southern Fire of Cincinnati shows assets \$539,823. Of this amount \$492,810 is in municipal bonds and \$18,197 in cash and United States bonds. Its reserves are \$38,511, capital \$250,000 and surplus \$242,164. The company is allied with the Western & Southern Life and Western & Southern Indemnity.

Son Succeeds Falkenhainer

Melsher Falkenhainer has been named secretary-treasurer of the Druggists Mutual of Algonia, Ia., to succeed his father, Al Falkenhainer, an official of the company for 30 years, who died recently.

The **Security Fire of Davenport** has declared the regular quarterly dividend of \$2 a share.

for necessary study of the many new lines of coverage if most of the day is spent tearing over the country in an automobile, he said.

There is a surprising dearth of material when it becomes necessary to fill a position of great responsibility. This is true, he said, because the men in the field are failing to embrace the great opportunity they have to acquire knowledge and broaden their experience.

As to collections, Mr. Ives said that the greatest kindness the field man can do an agent is to establish an inflexible understanding that, for his company, the agent must keep a good balance sheet. As soon as a field man becomes lax, the agent becomes indifferent. He is not as rigorous and exacting in making collections from his clients and the temptation creeps in and grows to use the funds already collected and settle later with his companies. As a consequence, the business today is facing the most serious problem with which it has had to deal.

Most Interesting Branch

The field man, according to Mr. Ives, has the greatest opportunity in the business today and the majority of them have not waked up to the fact. They are in the most interesting, most fascinating, most exciting end of the business. Competition is growing sharper, new and technical forms of coverage are cropping up and a broader field is ever opening. There is no better time than the present, when business is at a staggeringly low ebb, for field men to fit themselves for the days ahead. He said that special agents will not arrive by sitting in their offices, dreaming, or in the offices of their agents, visiting, or dashing over the country in an automobile.

The address of C. Weston Bailey at the anniversary dinner was an account of the origin and history of the National Board and a review of its many activities today. Mr. Bailey is president of the American of Newark and president of the National Board. He told about the Actuarial Bureau of the National Board, and the many committee activities.

Provides Greater Safety

Stock fire insurance, according to Mr. Bailey, has not been content merely to furnish financial security against the ravages of fire but has thrown its engineering skill into the battle to provide greater safety in the new manufacturing processes which continually develop new fire hazards.

The member companies of the National Board have stood firm and have weathered the financial storm, he said. They have not defaulted or sacrificed in a single instance the confidence reposed in them. They have fulfilled every obligation assumed under their contracts and have maintained their services at the same high standard set in more prosperous times and they have not increased the cost of their protection.

The tendency towards more and more refinement in fire insurance rating is being carried almost to an absurdity in many places, according to Frank C. Hatfield, vice-president of the Phoenix of Hartford, who addressed the anniversary dinner. The cost of weighing differential niceties, some of which are purely theoretical and have little or no bearing on underwriting, falls on the companies, he said.

Rates Chipped Away

These complicated rating systems afford an opportunity for so-called engineers to work out trivial improvements with consequent chipping away of the rate structure, Mr. Hatfield said. Then there is the cost of resurveying and republishing the rate revision.

Simplification of existing schedule seems to be the proper remedial course, Mr. Hatfield declared.

Rate increases, however, Mr. Hatfield said, may go to the point where the more desirable assureds either go without protection or seek insurance elsewhere with the result that even with increased rates, the loss ratio increases. More plain, old-fashioned underwriting

is needed, he said. Correction is indicated in Massachusetts, which produces half the premium income of New England but which has one of the worst loss ratios in the United States. In 1931 the loss ratio was more than 70 percent and there was no improvement in 1932.

Individualism Overdone

Many of the ills of fire insurance are due to individualism overdone, according to C. F. Shallcross, United States manager North British & Mercantile. Men in the business, he said, perpetuate many evils because they forget that it pays to stick together. "We are all inclined to be too individualistic and too little association-minded," he said.

Mr. Shallcross said that if executives and field men would look backward, they would recall occasions when, if what now appears to be a comparatively small competitive sacrifice had been made, the growing advantage to their company and reputation would have been considerable. He advocated enlightened selfishness.

Very often, according to Mr. Shallcross, improper steps are adopted merely to get back at the other fellow. More often than not these practices do not pay dividends.

Coverage Is Lacking

The machinery of the New England Insurance Exchange and other such bodies, he said, is not appealed to more frequently because of lack of courage. From a long range and materialistic point of view it is beneficial to invoke the available machinery to discipline offenders.

As to collections, Mr. Shallcross said that thousands of agents are blaming field men and company officers for letting them get behind with their balances. Agents should always have been led into the way of paying company balances promptly. In fair weather, the desire for still more premiums and competition of other companies induce leniency in collections, he said. This form of competition developed because the companies, by common action, have specifically barred resort to other competitive weapons.

The suggestion has been made that companies should be penalized on a per diem basis for undue leniency in balance collections, Mr. Shallcross said. Although this suggestion is logical, he declared that this is not the time to make such a rule effective, since it would work too great a hardship on many worthy agents. When normal times return, however, he said, the matter might be explored.

Would Help Agents

Indirectly, such a rule, Mr. Shallcross said, would assist agents in collecting premiums, and it would raise the standard of agency appointments. Possibly, he said, field men might be permitted to participate in the fines.

The committee appointed by the National Convention of Insurance Commissioners to investigate the cost of company bureaus and boards will be welcomed, Mr. Shallcross said, if worth while saving in expense should be brought about. The speaker declared, however, that a reduction in the tax burden upon the companies would be much more welcome. In an Atlantic state in 1931, he said, municipal and local license fees and taxes amounted to 7.85 percent of the net premium. The legislature of that state has just raised the tax on premiums. Of the small profit made by the fire companies, the federal government takes 13 3/4 percent. As compared with this burden, he said that if as a result of the investigation of the boards and bureaus a saving can be made equivalent to a fraction of 1 percent, all concerned will be gratified. "To save at the spigot is sound economy, but leaking at the bung-hole has its disadvantages," he declared.

The **Missouri Fire Underwriters' Association meeting**, scheduled for Jan. 11, has been postponed to Jan. 18.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple &
Co., 112 W. Adams St., Chicago,
as of Jan. 9

Stock	Par	Share	Bid	Asked
Aetna Cas.	10	1.60	39	41
Aetna Fire	10	2.00	29	31
Aetna Life	10	1.00	14	16
Amer. Alliance ..	10	1.00	11	13
American, N. J.	2.50	.50	6 1/2	7 1/2
Amer. Surety	25	1.00	13	14
Automobile, Conn.	10	1.00	16	18
Boston	100	16.00	300	320
Carolina	10	1.00	9	11
City of N. Y.	100	1.00	63	73
Cont'l Assur.	10	2.00	27	29
Conn. Gen'l.	10	.80	28	30
Continental Cas. .	5	1.00	6 1/2	7 1/2
Continental Ins. .	2.50	1.20	16	17
Fidel-Phenix	2.50	1.20	17	19
Fireman's Fund ..	25	3.00	44	46
Fireman's F. Ind. .	10	1.00	15	16 1/2
Firemen's	5	.60	5 1/2	6 1/2
Franklin Fire	5	1.00	14	15
Glens Falls	10	1.60	25	27
Globe & Rutgers ..	25	1.00	70	80
Great Amer. Ind. .	1	1.00	5	7
Great American .	5	1.00	12 1/2	13 3/4
Halifax	10	1.20	9	11
Hanover	10	1.60	24	26
Harmonia	10	1.80	7	8
Hartford Fire	10	2.00	39	41
Home, N. Y.	5	1.00	14	16
Hartford St. B. .	10	1.60	42	44
Home F. & M.	10	2.00	22 1/2	24
Homestead	10	1.00	6	7
Ins. Co. of N. A. .	10	2.00	33	35
Lincoln Nat'l. L. .	10	2.50	32	34
Maryland Cas. .	2	1.00	3	4
Mass. Bonding ..	25	2.00	15	18
National Cas.	10	.40	5	6
National Fire	10	2.00	38	40
National Liberty .	2	1.00	2	3
National Surety ..	10	1.00	7	8
National Union ..	20	1.00	19	23
New Amst. Cas. .	10	2.00	17	18
New Brunswick ..	10	1.00	7	9
New World	10	.80	6 1/2	7 1/2
North River	2.50	.60	9 1/2	10 1/2
N. W. National ..	25	5.00	70	75
Occidental	10	1.00	10	12
Pac. Mutual	10	2.40	26 1/2	28 1/2
Phoenix, Conn. .	10	2.00	46	48
Prov. Wash.	10	1.00	18	20
Sprgfd. F. & M. .	25	4.50	62	65
St. Paul F. & M. .	25	6.00	106	110
Sun Life	100	1.00	260	280
Travelers	100	16.00	360	375
U. S. Fire	4	1.20	18	19
U. S. Fld. & G. .	2	1.00	3	4
Westchester	2.50	1.00	14	15

Field Men Urged to Handle Losses

(CONTINUED FROM PAGE 3)

sured, than his success in this important branch of the business.

In making adjustments, the assured should not be given the whole pie, according to Mr. Ives. The assured and the agent have a much higher regard and respect for the man who is keen enough to size up the actual loss and make a just settlement than for the man who they know is settling the loss to get an edge on the other company.

It would be a healthy thing for the field man, agent and company, Mr. Ives said, if the use of every automobile now operated by special agents were limited. Mr. Ives said he would like to try this out for a couple of years. This would, of necessity, reduce the territory of each field man, but Mr. Ives expressed the belief that the special agent would develop into a much bigger, more independent, more all around man. He would be forced to use his initiative to a greater extent.

Serving the Agents

A field man who serves the greatest number of agents is the man who naturally picks the plums, Mr. Ives said. The man who visits the greatest number of agents doesn't have time to hang around an agent's office and the agent who is willing to have a field man hang around his office doesn't have sufficient business to warrant the representation of a good company.

Mr. Ives said that the field man should make a particular study of one or more specialized lines. In doing so, some day he may leave the field for a company department handling that specific line. The fire and casualty field men can be of invaluable service to each other and to the company if each has a speaking acquaintance with the language of the other. There is not time

Boston Gathering Brilliant Event

(CONTINUED FROM PAGE 5)

The annual dinner preceded the annual business meeting held the following morning at the exchange headquarters.

Economies Are Effectuated

The active membership of the exchange dropped from 294 to 277 and the honorary list increased from 202 to 206 during the year, according to the reports rendered at the morning meeting. However, the exchange has been able to reduce the percentage assessment to the companies to 1.6 percent, which is the lowest figure since schedule rating has been adopted.

Secretary Sweetland, in his report, showed the number of employees to be 175. Economies had been accomplished by consolidation of the Fall River office with that in New Bedford and discontinuance of the New Haven sub-office, consolidating it with the office at Bridgeport. Salaries of employees were reduced 10 percent and rentals of branch offices reduced as leases expired. Marked savings were made in printing.

Of the loss experience in Massachusetts, Secretary Sweetland said: "From a profitable state within only about a decade, Massachusetts has dropped so that it now has the poorest loss ratio of any state in the Union having an equal premium income, and is the eleventh from the foot of the list of all states in the Union, the states having a poorer loss experience for the past five years in the order named being New Hampshire, Texas, North Carolina, Louisiana, South Carolina, Missouri, Arkansas, Tennessee, Washington and Mississippi."

Dwelling Class Bad

He said the minimum rated dwelling class in Massachusetts has especially shown a poor loss ratio. Not only have the unprotected properties been unprofitable, but protected as well.

Much attention was given to vacant and dilapidated structures in Massachusetts during the year. Fifteen bulletins were issued, listing 4,194 structures. Many of the structures have been razed or repaired.

Idle plants are causing grave concern and require constant attention.

The municipal protection department reported that "there has been a considerable tendency toward the reduction of full paid members in fire departments. Numerous cases have been brought to our attention where the municipality has been giving consideration to the possible effect on the grading of a community should the number of full paid men be reduced. In most cases the number of men in the fire department has been such as in our opinion would not permit reducing the forces without weakening the protection considerably and, therefore, we have attempted as far as possible to advise against any material curtailment of man-power."

During the year the exchange officials tested the smallest number of automobile pumping engines since the practice has been in effect, the total for the year being 26.

The concluding business of the annual meeting was the election of M. F. Ramsay as first vice-president, and G. L. Brown, Frank Mills and F. F. Porter as members of the executive committee.

E. L. Rickards Analyzes Chicago Theft Situation

(CONTINUED FROM PAGE 4)

theft rates in Chicago were greatly increased, the equipment exclusion clause was introduced. An attempt was made to revive an old city ordinance, prohibiting all night parking, but there was a great public outcry and enforcement ceased after two weeks.

Mr. Rickards said that automobile

locks that are put on cars by manufacturers are absolutely useless. Master keys are sold by every hardware store and he said that five keys will fit any Ford or Chevrolet. Seventy-five percent of the automobiles stolen are entered with duplicate keys, he declared. The help of the citizens as a whole is needed in the problem, he declared.

The luncheon of the Chicago Insurance Agents Association was something of an innovation. It was arranged by Hamilton M. Loeb and it was interesting that the room in which the luncheon was held was one dedicated to his father, Jacob Loeb.

Four members of the executive board of the association were elected, they being William E. Rollo, W. C. Oxnam, James Newburger and H. E. Reeves.

Loeb Reviews Activities

Mr. Loeb read a report, reviewing some of the activities and accomplishments of the association. He recalled that a special committee, under W. Herbert Stewart, has been busy on the casualty acquisition cost problem.

The association was instrumental in putting over the policy fee in the Chicago Board. A committee under A. C. Croxson has been engaged in promoting a marine pool to cover the exhibitors

at the world fair in Chicago this year. Mr. Loeb expressed the belief that it will be possible to have such a pool. Mr. Croxson is also chairman of the committee which has been cooperating on the automobile theft question. The association is represented on the legislative advisory committee in Illinois, but Mr. Loeb said that the association has no commitments as to any particular legislation.

Richland County Statement

One of the First Financial Exhibits
Shows the Old Company's
Sound Condition

In this period of complicated financial conditions and more or less uncertainty, some companies have gotten their financial statements to bedrock and really make a very interesting showing. The Richland County Mutual of Mansfield, O., is always one of the first companies to issue its annual exhibit. Richmond Smith, chairman of the board, is dean of the Ohio fire underwriters. The Richland Mutual shows cash assets \$463,912, deposit notes \$1,808,658, increase underwriting income \$6,690, increase insur-

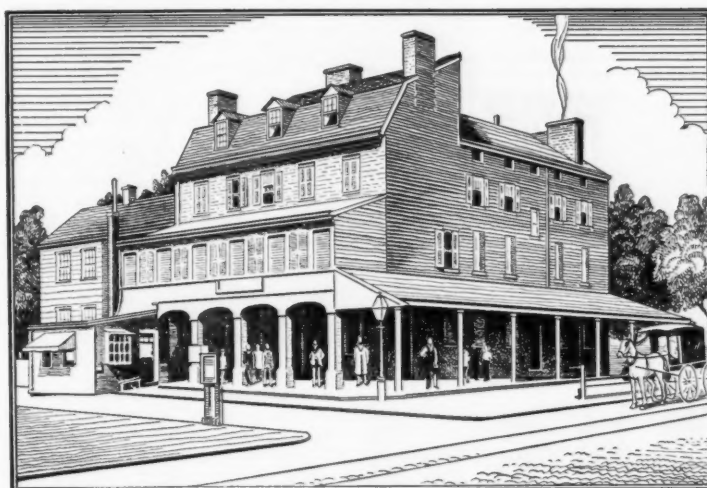
ance written \$384,230, income last year \$141,234, expenditures \$120,974, losses paid \$49,632. The Richland Mutual in its statement shows that it has quick assets figured at market value amounting to \$513,042. The market value of its federal government bonds is \$428,628.

The Richland County Mutual was organized in 1850 and is therefore 83 years of age. E. W. Dann, the secretary, has been associated with the company for 31 years and has demonstrated his ability as a conservative underwriter and manager. J. G. Wallace, assistant secretary, has been associated with the company for nine years and is a capable insurance executive. The company confines its business to Ohio.

Louisville Board Elects

LOUISVILLE, Jan. 11.—The Louisville Board at its annual meeting today elected C. E. Swope president to succeed John S. Long, who had served two years. Culver Caughan was elected vice-president, and Leo E. Thieman was reelected executive secretary.

E. A. Gormley, Automobile Protective & Information Bureau, with headquarters at Dallas, Tex., formerly of Denver, was married recently to Lillian Kiesler of Englewood, Colo.



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BUILT 1764



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three years and has safeguarded the policies placed with us by our agents.

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Association

Cutting Down on Insurance

C. R. HEBBLE of Cincinnati, editor of the "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, is a great student as well as a practical producer of insurance. He has cautioned people in this day, when we are endeavoring to economize in every particular, to count the cost when they attempt to cut down on insurance. There is a temptation not to renew insurance or to reduce the amount because it involves no decrease in number of employees, no lowering of wages, cheapening of material, postponement of repairs or the like. Yet attention is called to the fact that in the effort to save in expense a sacrifice of great value may result, and possibly much uninsured loss.

As Mr. HEBBLE points out, money paid for insurance does not buy things of personal service. Insurance, he declares, effects a transfer of risk of loss to com-

panies organized and prepared and amply able to carry the risk. Insurance is protection against loss, which is very many times as great as the amount of the premium. A man must take into account possibilities. The attempt to curtail on one's insurance may produce dire results or financial disaster.

Mr. HEBBLE states, "The measure of the value of insurance is not its cost."

Insurance buyers seldom think what might befall them under adverse conditions. Their holdings might well be wiped out through some catastrophe which can now be guarded against. The insurance premium represents values far greater than the amount of the premium. This is the vital thought to send home to the policyholder. Mr. HEBBLE has gotten out a valuable pamphlet on this subject which it will pay any purchaser of insurance to read.

Mr. Van Schaick's Reappointment

It is gratifying to all in the business to have Superintendent GEORGE S. VAN SCHAICK of New York state agree to accept another term of office. Even with so many of the high-minded, competent and earnest commissioners catapulted out of office because of the political storm, the business as a whole will have the advantage of Mr. VAN SCHAICK'S continued

counsel and help. He has proved to be one of the strongest men in the supervising line that has come to the front in recent years. Sincere, honest and intelligent, he has endeavored to be fair to all concerned. It is his type of supervision that is counting in these days of trouble and uncertainty when every additional substantial factor helps greatly.

Building Substantially

THESE are days when the acid test is being applied. Agents may seek to secure business through acquaintance, pull, influence, etc. Yet after all a policyholder is much more interested in knowing that his insurance has been written correctly

and in a way that will avoid difficulties and complications in the future. The agent who knows his business, his contracts, who appreciates his responsibility and who is able intelligently to counsel his assureds builds up a substantial lot of customers.

PERSONAL SIDE OF BUSINESS

George Ward, assistant manager of the Pacific department of the North British fleet, retired Jan. 1, completing a record of 41 years with the company. When the Pacific Coast business of the North British was handled from New York, Mr. Ward was resident secretary at San Francisco. Later when the company took over the Pennsylvania he became assistant general agent with the new general agency firm of Berdan & Osborn, and, after Mr. Berdan's death with Russell Osborn. Since 1922, when Mr. Osborn retired, he has been assistant manager under Coast Manager A. T. Bailey. He is succeeded by H. A. Talmage.

Ben S. Lowry, former Mississippi insurance commissioner, has returned to his home in Jackson from Greenville, where he underwent an operation for appendicitis. Mr. Lowry's condition is still causing concern, but his recuperation is believed to be steady.

P. K. Ramsey of Madison, Wis., who retired the first of the year as Wisconsin state agent of the National Union Fire, has moved to Chattanooga, Tenn. His son, Raymond R. Ramsey, is head of the Ramsey Adjustment Service in the Volunteer building at Chattanooga. The father formerly lived at Cleveland, Tenn., and is well acquainted in Chattanooga. He and Mrs. Ramsey will go to Florida for a month and then will locate at Chattanooga and the father will likely be associated with his son in adjustment work. Mr. Ramsey is a veteran field man, having formerly traveled in North Carolina. He was located at Omaha for the Firemen's and has done some splendid work in Wisconsin. Raymond R. Ramsey was associated with the National Union in North Carolina as a field man and later had charge of loss adjustments in three states in that section.

J. Lewis Cassell, Illinois state agent for the London Assurance, is back on the job after being stricken with a severe case of pneumonia.

J. W. Blanton, senior member of the Blanton Insurance Agency, Dallas, Tex., and his wife are on a tour of the world. Mr. and Mrs. Blanton went from Dallas to San Francisco, where they will embark on a steamer for Honolulu and the Orient. They will visit most of the countries of Europe before returning home. They expect to be gone for six months.

Friends of Simeon Herdegen, manager of the Milwaukee office of the Phoenix of Hartford, are helping him celebrate his 50th anniversary in the employ of the company and his induction into the "50-Year Club of Never to Be Forgotten Men."

Mr. Herdegen started his insurance career in Rising Sun, Indiana, 70 years ago. Adam Herdegen, his father, represented the Phoenix in Rising Sun during the Civil War period, but in 1866 moved to Aurora after transferring the Rising Sun agency to R. L. Davis. It was in Aurora that "Sim" Herdegen first imbibed the principles that were in later years to mark him as an outstanding underwriter.

Adam Herdegen passed on in the late '70s and the management of the agency was thrust on the son's shoulders—he was but 17 at the time. He operated the business successfully until 1882 when he accepted a profitable opportunity and sold the agency to Robert McConnell. Young Herdegen went to Cincinnati with Mr. McConnell to arrange some details in connection with the transfer of the agency and while there called on H. M. Magill, western manager for the Phoenix. Mr. Magill offered him a job. After a thorough apprenticeship in Cincinnati he was sent to the Milwaukee office where he acquitted himself so well

that in 1898 he was promoted to district manager, a position he has filled with distinction ever since. On Jan. 1, he completed 50 years of continuous service with the company.

Notable tribute was paid last Friday evening in Chicago to T. J. Lilly of Minneapolis, state adjuster in Minnesota and northwest Wisconsin for the America Fore group. This dinner was in honor of his 50th anniversary with the Continental, one of the leading members of the America Fore. He started Jan. 1, 1883, as special agent of the Continental when he lived at Owatonna, Minn. He had been a local agent there. He drove around his field with a horse and buggy, visiting agents and was regarded as a very helpful field man. Later he became state agent, then state adjuster. There were 52 men at the banquet including the executives, department heads and other members of the western staff together with the Minnesota field men and some others who had been associated with Mr. Lilly in the organization. Chairman of the Board Ernest Sturm went on from New York and gave the chief address. He presented Mr. Lilly with a gold watch with the emblem of the Continental engraved on it. Western Manager E. A. Henne presided and gave Mr. Lilly a pair of binoculars from his associates in the western office. Those who spoke aside from Mr. Sturm were E. R. Wilson, general adjuster; E. B. Vickery, Cook county and Chicago manager; Ira D. Goss, farm department manager, and W. A. Yoder of Minneapolis, Minnesota state agent.

C. H. Duclos, joint manager of the Canadian department of the Great American and affiliated companies, died suddenly in Montreal Saturday morning. He started with the Guardian at Montreal, then with the Scottish Union & National at Hartford, and later with the New York Underwriters in New York City. He joined the Great American in its home office in 1913. About four years ago he was transferred to Montreal. When the Canadian department of the Great American was opened in January, 1932, he was made joint manager with H. C. Bourne.

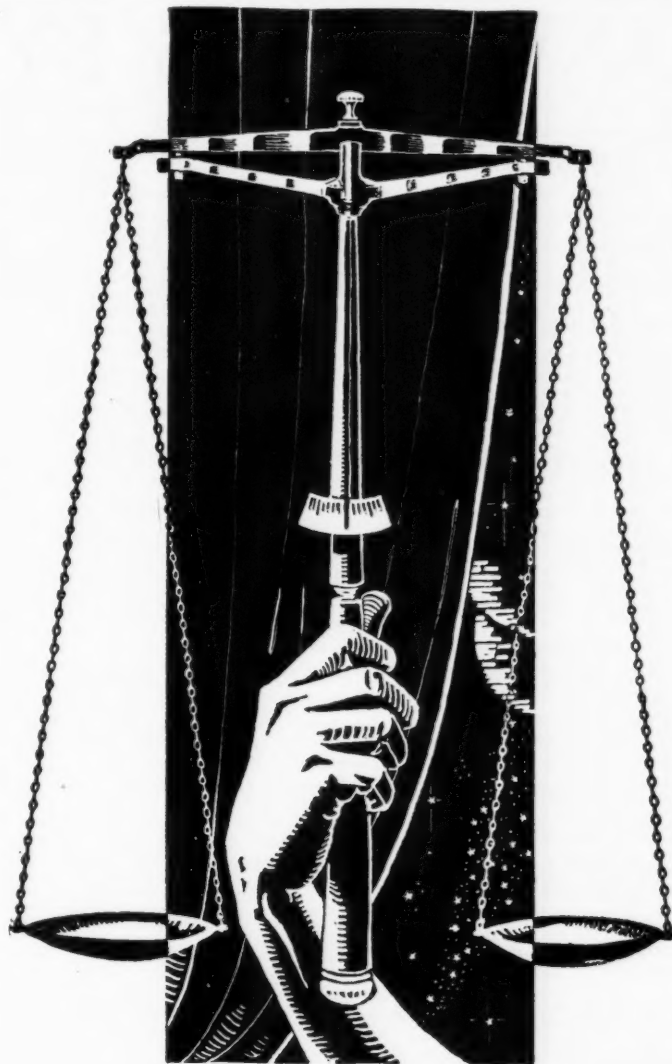
Lee R. Merry, head of the Mo-Kan-Oka Adjustment Company of Wichita, member of the Kansas Blue Goose, died last week in a Wichita hospital following several weeks' illness. Mr. Merry was associated with Willard Quinn in the Kansas Underwriters for several years. He was 38 years old.

John H. Gray, who retired the first of the year as Ohio state agent of the North British & Mercantile, has been very ill at his home in Columbus with pneumonia.

Clinton P. Anderson, prominent local agent of Albuquerque, N. M., who is president of Rotary International, has been appointed by Governor Seligman to act temporarily as state treasurer, the office having been suddenly vacated by the death of the elected incumbent.

Enoch Clowes, 79, died last Saturday at Irvington, N. J. For many years Mr. Clowes resided in Matawan, N. J., where for more than 40 years he conducted a local agency, and at the time of his retirement a few years ago was the oldest insurance agent in point of service in Monmouth county.

Harry R. Manchester, chairman of the board of the James & Manchester Co. and retiring president of the Insurance Board of Cleveland, will leave with his wife for a world cruise Feb. 4. They will be gone until June.



equitability

fairness in loss adjustments—promptness of settlements—these, no less than the Queen's sound resources, have earned the confidence and esteem of the insuring public as well as the good will of agents. Although the Queen has paid out over one hundred and five million dollars net losses, no catastrophe has ever affected the Queen's ability to settle every claim fairly—equitably.



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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Ohio Farmers Annual Rally

Agents Convention Will Be Held at the Time of the Company's Meeting

The 85th annual meeting of the Ohio Farmers will be held in LeRoy Jan. 18, at which time about 150 agents, attending the annual agents' convention will be present. An address by President F. H. Hawley will be one of the high-lights of the meeting. These annual addresses are eagerly awaited by Ohio Farmers agents for in them he reviews the company's record for the past year and makes predictions for the future.

J. C. Hiestand, secretary, will have an important place on the program with a talk on automobile insurance. The Ohio Farmers writes a large volume of automobile business and Mr. Hiestand will give the assembled agents a meaty discourse on this important line.

A round table discussion by the agents themselves on some of their more difficult underwriting problems has been arranged. This will be directed by P. K. Tadsen, Port Clinton, O., who is president of the Ohio Farmers Agents Association.

Blue Goose Speakers Named

COLUMBUS, O., Jan. 11.—W. C. Howe, program committee chairman of the Ohio Blue Goose, has announced the following speakers: Jan. 30, Eugene Gallagher, Ohio Inspection Bureau, "Uniform Reports"; Feb. 20, E. Clark King, Dayton, "Fire Prevention"; March 6, E. L. Donovan, National Board. The Ohio

pond is arranging for a business meeting and dinner Feb. 6, the night before the meetings of the field clubs.

Moral Hazard Dwelling Losses

An Ohio field man declares more than half of the fires in unprotected dwellings in Ohio at this time involve moral hazard. Most of these houses are mortgaged, and with interest and taxes due, many property owners have turned to this means of raising money, knowing that in any event they have lost their homes. Fires in small mercantile establishments have been remarkably few. It is argued that store owners realize they could gain nothing from a fire, as creditors would step in and take all the money that might be received through insurance.

Veteran Ohio Farmers Assured

Mrs. Mary Hallan, who has just passed her hundredth birthday, has had her home insured continuously in the Ohio Farmers for 55 years through the Day agency at Urbana. She was born in County Clare, Ireland, in October, 1832.

Baker Blue Goose Speaker

Gen. Chauncey B. Baker, chairman of the board of the American National Fire, will address the Ohio Blue Goose at its luncheon meeting in Columbus next Monday.

Senator J. P. Bower, Rushsylvania attorney, has been appointed chairman of the Ohio senate's insurance committee. Paul Yoder, Dayton, and W. H. Herner, Norwalk, local agents, are members of the committee.

companies, he said. Careful maintenance of ample reserves must be insisted upon. Maintenance by insurance companies of affiliated corporations or trusts to hold and traffic in investments should be prohibited, the governor asserted.

Governor Horner took cognizance of the suggestion that the department of insurance be separated from the department of trade and commerce. He said that his preference is to consolidate departments, but if it develops that an independent and distinct insurance department is necessary he will not hesitate to ask for legislation to that end.

C. T. Coats Is Elected

Charles T. Coats of the Indiana Union Mutual of Indianapolis was elected president of the Mutual Insurance Association of Indianapolis at its annual meeting. John L. Lau is vice-president and Marie Hoffman is secretary. The advisory committee consists of Mary M. Seider, F. R. Baker and H. H. Tudor.

Agent Boeke a Senator

Harry C. Boeke of Hamilton & Boeke, prominent local agency of Freeport, Ill., is one of the new state senators elected from the 12th district. He is a member of the Illinois Insurance Federation, the Illinois Association of Insurance Agents and is working closely with insurance men of the state to make sure that good insurance laws are passed.

Fires Burn While Officials Fiddle

SAGINAW, MICH., Jan. 11.—Residents of Carrollton township, which borders the city of Saginaw on the north, were embittered last week following two disastrous fires within 24 hours, while city officials of Saginaw and Bay City were disputing over technicalities of giving fire protection to outlying districts.

Sentenced for Mail Fraud

Clarence A. Combs, local agent of Findlay, Ill., pleaded guilty to using the mails to defraud and was sentenced by Federal Judge Wham at East St. Louis to serve eight months in jail and then to be on probation for five years. Combs admitted that he had issued fire, tornado and theft policies under bogus names and used them to obtain loans totaling \$321 from the National Guarantee & Finance Company, Columbus, O.

Would Revise Salaries

LANSING, MICH., Jan. 11.—The economy program devised by the Michigan legislative commission for inquiry into state governmental costs, provides for rewriting the act fixing the salary of the insurance commissioner so as to make the department head's compensation purely a matter for legislative appropriation. Specific provision for salary of the assistant state fire marshal, who works under the commissioner, would also be eliminated, the matter of fixing his pay being left up to the commissioner with the approval of the state administrative board.

Life Agent Elected Speaker

LANSING, MICH., Jan. 11.—Interests of insurance, particularly the life division of the business, should be well served in the lower house of the Michigan legislature this session, Martin R. Bradley, Reliance Life agent at Hermansville, having been elected speaker of the house.

L. G. Karwick, Detroit attorney, has been named chairman of the senate insurance committee. Only two members of the 1931 committee, Senators H. P. Orr, Caro, and Adolph Heidkamp, Lake

Linden, are retained. Mr. Orr is a former deputy insurance commissioner and a brother of R. K. Orr of the Wolverine. Other members of the senate insurance committee are: John Leidlein, Saginaw; James Murphy and E. B. McKenna, Detroit; Ray Derham, Iron Mountain, and F. H. H. Flynn, Cadillac.

Board of Directors Meets

The board of directors of the Illinois Association of Insurance Agents held a meeting in Chicago Wednesday of this week. Among those on hand in addition to President Rockwood Hosmer, were V. G. Musselman, Quincy; H. J. Leach, Morris; J. E. Martin, Peoria; G. M. Wright, Aurora; F. J. Budelier and C. J. Montgomery, Rock Island; M. I. Hall, Belvidere; W. H. Schneider and S. E. Moisant, Kankakee; and A. J. Teninga, W. H. Stewart, Ernest Palmer and Allan I. Wolff, Chicago.

Will Not Fill Vacancy

The Springfield F. & M. will not replace the late F. J. Davis of Champlain, Ill., special agent, who died. The company now has three men in Illinois and they will absorb all the work.

Contest Awards Made

The G. L. Ramey & Son agency in Indianapolis gave a dinner to its salesmen, concluding a contest that had been conducted for 60 days. Prize awards were made on the basis of points determined by sales production. F. D. Leete, Jr., was awarded first prize and P. B. Payne, second prize.

C. R. Elvis in Hospital

C. R. Elvis, independent adjuster of Urbana, Ill., who was formerly a special agent for the Queen, is seriously ill in a hospital in his home town, following an operation.

M. H. Cooper Joins French

M. H. Cooper, son of the late Ben C. Cooper, has become associated with John M. French in the Cooper & French agency of Ottawa. Mr. Cooper is a graduate of Armour Institute of Technology and was connected with the Illinois Inspection Bureau for five years.

News of States in the Northwest

Wisconsin Legislature Meets

Numerous Insurance Measures Up for Consideration—Standard Policy, Reciprocal Taxation Big Topics

MADISON, WIS., Jan. 11.—While no major measures affecting the insurance business will be introduced by the Wisconsin insurance department during the 1933 session of the legislature, which opened here today, legislation of great importance affecting the insurance business is scheduled for introduction early in the session.

Commissioner H. J. Mortensen states that his department will propose no major changes, but its suggestions in bills would amend the insurance laws correctively, rather than substantially, and lead to improvement in handling of the state's insurance affairs.

Consider Standard Policy

"Hang-over" legislation from the 1931 session includes the presentation of a new standard fire policy as ordered by a joint resolution of the 1931 legislature. One major hearing has been held and

CENTRAL WESTERN STATES

Plan Indiana Sales Congress

Agents Association Prepares for Event in Lieu of Usual Insurance Day Celebration

Following the announcement that the Indiana Insurance Federation will not celebrate Indiana Insurance Day this year, the Indiana Association of Insurance Agents has announced that it will hold a sales congress at Indianapolis Jan. 31, continuing through the day and including a luncheon.

The following topics are announced for the sales congress: "Salesmanship," "Adjustment of Small Losses," "Co-Insurance," "Mutual Competition," "Relationship Between Company and Agent," "Compensation Problems," "Benefits of Membership in Associations" and "Reciprocity in the Insurance Business." Speakers will probably be announced next week. Fred H. Jannasch of Gary, president of the association, will preside over the sales congress.

Hanson Gives Instructions as to New Agents' Licenses

Letters of instruction have been sent by Superintendent Hanson of Illinois to the companies for the purpose of aiding them in securing the licenses for agents for the year commencing March 1.

Slight changes have been made in one blank, which is used for all agents who have not yet been licensed under the Illinois qualification act and for partner-

ships or associations in which there has been a change in the members, or for corporations in which there has been a change in the officers, directors or stockholders, authorized by the applicant to act for it.

Then there is a renewal blank to be completed by every agent for each company he represents.

There has been a slight change in the agent's requisition card. There is a new blank, which is a notice of termination of appointment of agents. It must be completed by every company upon the cancellation of an agent's license. The blank requires information as to the circumstances and occasion of the termination of the appointment and the cause, and as to further facts bearing upon the character and conduct of the agent and the services performed by him.

Mr. Hanson states that if a termination is made of an agent's appointment and certain facts are given which are deemed by the department justification for complete investigation, the department will proceed immediately.

New Governor of Illinois Treats Insurance Problems

In his inaugural message, Governor Horner of Illinois devoted considerable attention to insurance, the question being a foremost issue today because of the Illinois Life failure. He said that the insurance laws and their administration in the state should be second to none. Limitation should be put upon the kind of investments and particularly speculative investments by insurance

LOYALTY GROUP

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
 HENRY M. GRATZ, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board
 W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
 NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

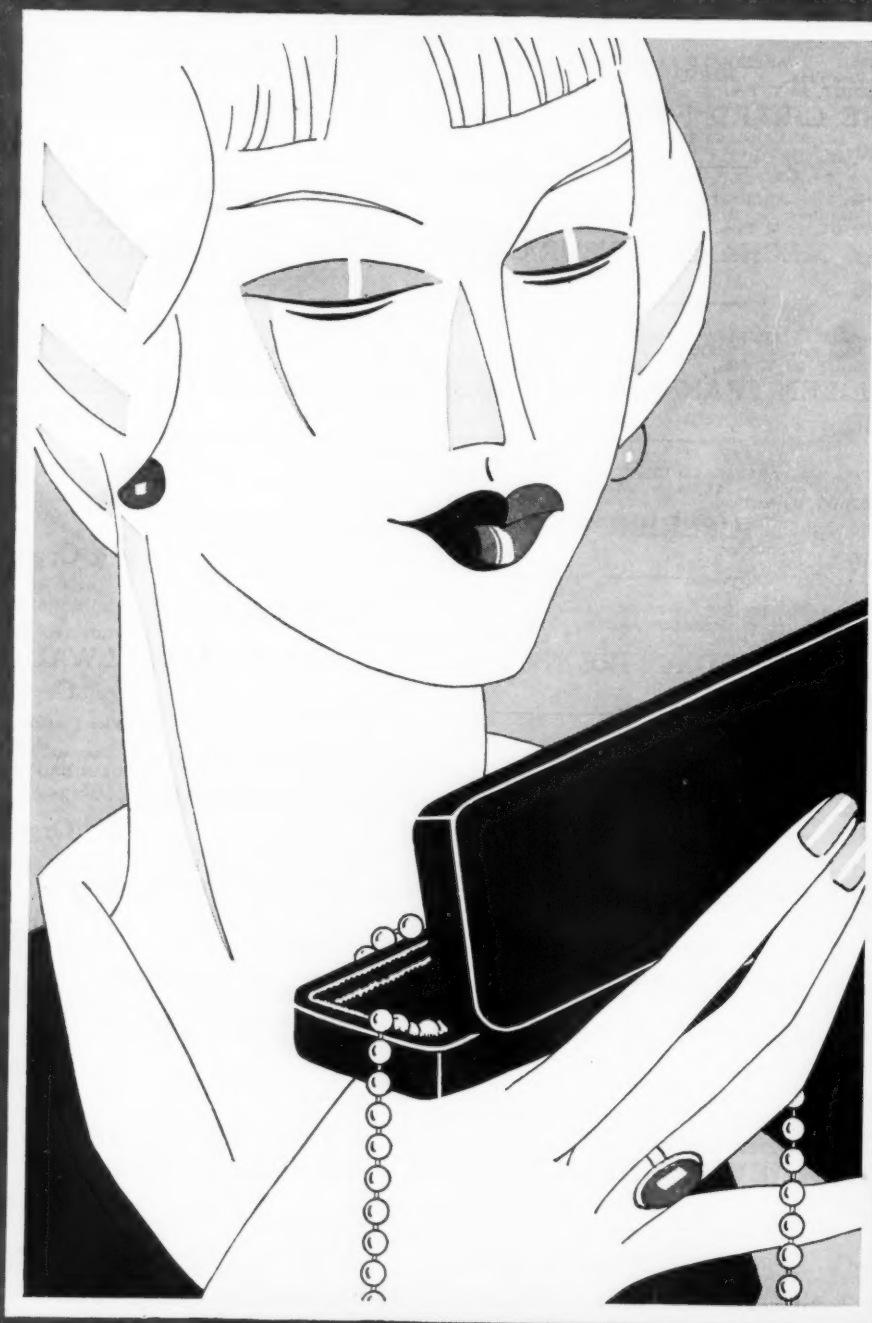
WESTERN DEPARTMENT
 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 461-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 FRED W. SULLIVAN, Secretary
SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

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THE value of the contents of many a jewel chest has been increased by recent seasonal gifts. The need for adequate insurance protection is obvious.

- An All-risk Jewelry Floater Policy written by The Travelers Fire Insurance Company will reimburse the owner for loss or damage arising from practically any cause, no matter where it occurs.
- Sales literature is available at the nearest Travelers office.



**THE TRAVELERS
FIRE INSURANCE COMPANY**

HARTFORD

CONNECTICUT

AMERICAN RESERVE INSURANCE COMPANY

85 JOHN STREET : : NEW YORK, N. Y.

Capital \$1,000,000

* * *

T. B. BOSS, President

A. T. TAMBLYN, V.-P. and Sec. J. W. COCHRAN, V.-P.

E. L. MULVEHILL, Treasurer

* * *

FIRE REINSURANCE

FIRE REINSURANCE TREATIES

Eagle Fire Insurance Company
(NEW JERSEY)

Baltica Insurance Co., Ltd.
(DENMARK)

Franklin W. Fort - Thomas B. Donaldson
18 WASHINGTON PLACE, NEWARK, N. J.

PROVIDENT FIRE INS. CO.

Fire and Automobile Lines

ROYAL EXCHANGE
ASSURANCE

CAR and GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane

NEW YORK

insurance men have been invited to send in their suggestions.

Revision of the entire insurance code as proposed by E. E. Brossard, state revisor of statutes, before the 1931 legislature will again be introduced this year, it is reported.

Revenue measures affecting the insurance business include repeal of the reciprocal taxation laws, which will be introduced shortly, so that taxes may be increased on insurance companies. Revenue to be derived from this repeal is estimated about between \$225,000 and \$250,000 but Wisconsin domestic companies are reported as standing to lose much more should such a proposal be passed.

Expect to Increase Agents' Fee

Another revenue bill which would be expected to yield about \$50,000 is one to be proposed increasing agents' license fees in Wisconsin from \$1 to \$2. Little if any objection is expected by proponents of this measure.

Wisconsin domestic town mutuals which have never before paid taxes or fees in Wisconsin are expected to be made the object of some revenue measures. A standard town mutual fire policy is another measure to be introduced.

Casualty insurance underwriters are expecting the usual compulsory automobile liability insurance measure, as well as a monopolistic state fund for workmen's compensation insurance.

According to present reports a fight will be made during this session of the legislature, led by the Wisconsin Association of Insurance Agents, against the Wisconsin fire fund. Another proposed measure is that to separate the state fire marshal's department from the state insurance department.

A lively contest is looked for on a measure to be introduced proposing legalization of dollar death benefit societies in Wisconsin.

Hibbing Agent Named

C. A. Nickoloff, local agent of Hibbing, Minn., has been appointed to the fire civil service commission of his city. He is interested in maintaining the efficiency of the fire department and keeping the fire losses down. There are more than 60 full time firemen on the Hibbing payroll. Mr. Nickoloff has been in the fire insurance business ten years. Before that he was connected with the Hibbing National Bank and handled the insurance business that came to that bank.

Bush Heads Madison Board

MADISON, WIS., Jan. 11.—Henry H. Bush of the Stanley C. Hanks Company was elected president of the Madison Board of Fire & Casualty Underwriters at the annual meeting; Reid M. Bergh, vice-president, and G. R. O'Malley, J. M. O'Malley Co., secretary-treasurer. He is a brother of J. M. O'Malley, retiring president. Messrs. Bush and O'Malley were also elected directors for three years.

Discuss Mutual Standard Policy

MADISON, WIS., Jan. 11.—Representatives of town mutuals in Wisconsin met with the insurance department here to discuss adoption of a standard fire policy for this group. Such a proposal is to be made before the Wisconsin legislature.

Eau Claire Votes for State Fund

EAU CLAIRE, WIS., Jan. 11.—The city council has adopted a resolution to insure all city property with the state fund, instead of in stock companies as in the past. Mayor Stussy opposed the move and said he could not conscientiously vote for state fund insurance for city property because he did not believe in the state going into the insurance business or in any other business in competition with private enterprise that is rendering a satisfactory, economical service.

In the past the practice has been, the mayor said, to give the city's fire insur-

ance business to agents in Eau Claire, who pay taxes to the city and who generally can be counted upon to aid in civic enterprises and activities.

Heavy Losses in Minnesota

ST. PAUL, Jan. 11.—Before the new year was a week old two disastrous fires had taken heavy property toll in Minnesota.

At Minneapolis an entire block of buildings was wiped out with loss estimated at \$200,000. The firms involved were the Illinois Cooperage Co., Manasha Woodenware Co. and Great Northern Railway Co.

The same day half a dozen business establishments at Little Falls, Minn., were gutted by a \$100,000 fire, which is believed to have started in the basement of the Adams & Miller hardware store and spread to adjoining shops.

Kenosha Board Elects

The Kenosha (Wis.) Underwriters Association has reelected Fred E. Stemm president. Charles Carlson is vice-president; Charles S. Curtiss, secretary, and Frederick Pfennig, treasurer. Problems of the business were discussed at a round table session following the election.

Would Make Fund Compulsory

BISMARCK, N. D., Jan. 11.—Commissioner S. A. Olsness has recommended that the legislature make it compulsory to insure all public buildings and property in the state fire and tornado fund. The commissioner reported that the fund made an operating profit in 1932.

John G. Teall Dies

John G. Teall, civil war veteran who conducted an insurance agency in Racine, Wis., for many years, died at his home after an illness of six weeks. He was 87 years of age. A native of Canada, Mr. Teall went to Racine when 14 years old. He served throughout the civil war. After losing a hand in an industrial accident, he went into insurance. During the last few years he had lived a semi-retired life and his daughter, Margaret Teall, has carried on the agency.

Recommends Abolishing Funds

Attorney General M. Q. Sharpe of South Dakota has filed a report recommending abolition of the state hail insurance and bonding funds.

Emil Weinfeld, 73, local agent at Eau Claire, Wis., and long active in civic affairs there, died suddenly at his home Jan. 6, from a heart attack.

Missouri Valley State News

Patton Taking Over Agency

Wade Patton & Co. Insurance Agency Corporation Succeeds to Business of Carey Office in Hutchinson

Organization of the Wade Patton & Co. Insurance Agency Corporation of Hutchinson, Kan., has been announced by Wade Patton, president and general manager, who has been manager of the insurance department of the Carey Real Estate & Investment Company for the past eight years. He has now taken over that company and reorganized in his own name to permit individual members of the former agency to become associated with the new organization. Reuben Miller is vice-president and manager of the fire and casualty department; Ralph Wesley, assistant manager of that department; Frank McCain, assistant manager life department, and Charles Dunn, assistant manager claims department. Directors are W. D. P. Carey, Beulah

J. Miller and Adelaide H. Patton, in addition to Mr. Patton and Mr. Miller.

Mr. Patton has been a prominent figure in Hutchinson and Kansas local agency affairs for many years. He has served as secretary-treasurer of the Kansas Association of Insurance Agents since 1928, besides serving on the executive committee. He also served two terms as president of the Hutchinson Board. He has attended several meetings of the National association and is this year a member of its fire conference committee, representing cities between 25,000 and 50,000 population.

Mr. Patton personally organized a life department in 1930, his agency being one of the first in Kansas to establish such a department, representing the Columbus Mutual Life. It was a success from the start and in recognition of his record, the Columbus Mutual selected Mr. Patton as chairman of its 1931 convention.

Mr. Patton organized the Central Underwriters & Adjustment Agency in 1930, which will be continued as a separate claim service department under the reorganization.

Seek to Upset Lincoln Hail Settlement with New Data

LINCOLN, NEB., Jan. 11.—Attorneys for the Nebraska department have asked for vacation of the order of the district court approving a recent settlement made with W. R. Linch, C. A. Linch and others who were deposed from the management of the Lincoln Hail by Commissioner Herdman. F. A. Wood and M. Witzenburg, representing the policyholders, are in charge as special agents of the state, and join in the request. An accounting is asked for and also that a judgment be entered against defendants for money found due.

It is claimed that when the department entered into the agreement, by which the Linches, in control of the old company, were paid \$17,000 for expenses and in return were to turn over notes and records, important information of the company's condition was withheld and concealed. It is charged that the Linches received more than \$160,000 from the company to which they were not entitled, largely commissions, at a time when they, as officers, were restricted to \$5,000 yearly salaries. It is also alleged that profits were made out of the operations of a finance company employed to make collections, the Linches being sole owners although not listed as incorporators. It is also alleged that profits were made out of the organization of the Grain Growers Mutual, used to handle policies of dissatisfied policyholders under a contract voided later by the department. Another allegation is that funds of the Lincoln company were used to organize a company in Kansas.

Bryan Recommends Separate Department, Expenditure Cut

LINCOLN, NEB., Jan. 11.—While Governor Bryan in his message to the legislature now in session kept his word to the insurance men to recommend the creation of a separate insurance department, with the director reporting only to him instead of as now to the secretary of the department of trade and commerce, his budget message, which followed, recommended a cut in the total appropriations from the \$102,000 appropriated for the present biennium to \$88,000 for the one beginning next July. Of this amount \$24,000 only will be raised by the direct property tax. The new head of the department, to be known as director of insurance, will receive the same salary as now paid the commissioner, \$4,000 a year.

The serious illness of the governor has prevented any consideration of state appointments save for the positions where vacancies exist, and in the case of Lee Herdman, present commissioner,

it is understood that no appointment will be made until the legislature acts one way or the other on the proposal to make insurance a separate bureau.

Governor Asks Protection for Kansas Policyholders

TOPEKA, KAN., Jan. 11.—Governor Landon of Kansas in his message to the legislature this morning asked the legislature to take some steps to guarantee to Kansas policyholders protection in some form for their insurance.

"Serious losses," he said, "have been sustained by Kansas policyholders in foreign insurance companies doing business in the state. I recommend that the legislature take steps to insure the protection of Kansas insurance policyholders whether the policies are carried in Kansas companies or foreign companies doing business in Kansas."

The governor makes no specific recommendation of the plan. It is expected, however, that the legislature will seek to enact a law that will require all insurance companies seeking to transact business in Kansas to maintain deposits of reserves in this state.

Seeks to Extend Duties

LINCOLN, NEB., Jan. 11.—If the legislature follows the recommendations of Governor Bryan in his budget message, the state fire marshal's duties will be widely enlarged. As rearranged by the governor he is also to be state sheriff, head of fire inspection, athletic commissioner in control of commercialized sports like wrestling and boxing, and also to enforce the state highway laws.

Hear Dramatized Selling Talk

DES MOINES, Jan. 11.—Robert Blaylock addressed the Iowa Blue Goose Jan. 8 on "Dramatized Selling," drawing on his stage and business experience to show the benefits derived. He was introduced by A. M. Upham, former Iowa state agent for the London & Liverpool & Globe, now retired.

McCormack Renominated

ST. LOUIS, Jan. 11.—A. L. McCormack, Charles L. Crane Agency Co., has been nominated for reelection as president of the Fire Underwriters Association of St. Louis. The annual meeting will be held Jan. 17. The nominating committee has also recommended that all other officers and members of the executive committee be reelected. J. H. Flachmann, who has been acting treasurer for the past few months, has been nominated for that position to succeed C. J. Kehoe, who had asked to be relieved of the office.

Mr. McCormack is also president of the Missouri Association of Insurance Agents.

New Agencies in Wichita

D. H. Spencer, manager of the insurance department of the Swope Land & Investment Co. and member of the Wichita Insurors, has established his own agency. Sidney M. Swope, formerly of the Wheeler-Kelly-Hagney Co., has organized the S. M. Swope Realty Co. in connection with his brother, J. B. Swope, former head of the Swope Land & Investment Co., and has taken the agency for the Palatine.

C. F. Christman, with the A. J. Christman & Son agency of Wichita until 1931, has established a new agency in his own name. The fire business of the A. J. Christman agency was recently sold to T. A. Heibert, formerly of Coffeyville, who is operating as the Heibert Agency. Al Christman, former owner of the A. J. Christman agency, retained the automobile business.

Seek Impounded Funds for State

TOPEKA, KAN., Jan. 11.—A bill is to be submitted to the present session of the Kansas legislature providing that



- Fasces—a bundle of rods and an ax. Symbolic of strength and ability. You can break one stick but not a bundle. Safety in numbers—in working a number of lines. The projecting blade is the entering wedge—the line which turns the prospect into your customer.
- How this is done and competition overcome is explained in the new booklet "Making More Money". Write us.

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OLD COLONY INSURANCE COMPANY
87 Kilby Street, Boston, Massachusetts

1805

1933

Caledonian Insurance Company

The Oldest Scottish Insurance Office

Caledonian-American Insurance Company of New York

ROBERT R. CLARK,
U. S. Manager and President

THE NETHERLANDS INSURANCE COMPANY OF THE HAGUE, HOLLAND

Est. 1845

ROBERT R. CLARK, U. S. Manager
EXECUTIVE OFFICES: HARTFORD, CONN.

FRANK J. BUCHER, President

WM. F. KRAMER, Secretary

Organized 1865

The RELIABLE FIRE INSURANCE COMPANY DAYTON, OHIO

Surplus to Policyholders \$920,218.00

An independent Ohio Company with a record of more than 65 years of honorable dealing with Agents and Assureds



"Only \$3 for all this?"

You'll be surprised, too, when you see how much luxury and convenience you can enjoy at the Hotel Lexington for as little as \$3 a day.

And here's another fact that'll make your expense account beam with gratitude—it costs only \$1 a day more for two persons at the Lexington. A room which is \$3 for one, for instance, is only \$4 for two persons.

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NEW YORK CITY
CHARLES E. ROCHESTER, General Manager



NEW HOTEL HUNGERFORD

IN THE METROPOLITAN CENTER
OF SEATTLE

200 ROOMS
200 BATHS
from \$1.50

COFFEE SHOP
HOTEL MANAGEMENT
delicious food at
moderate prices..

EARL HUNGERFORD
Owner and Manager



FOURTH
AT
SPRING.

SEATTLE

the \$150,000, plus interest, in undeliverable impounded, fire insurance premiums be turned over to the state treasury on July 1.

Cat's Meow Installation

The St. Louis Court of Cat's Meow will install officers Jan. 14. Albert Sauer, claims manager for the General Accident, is the incoming most wise and powerful meow.

Kansas Field Groups Meet

The Kansas Blue Goose held a banquet in Wichita Tuesday night. The Kansas Fire Underwriters Association

held its regular bi-monthly meeting there that day. President N. Dekker of the America Fore presided.

Missouri Valley Notes

Philo Lange, Dubuque, Ia., local agent, has been elected treasurer of the Dubuque chamber of commerce.

Earl Hutton of the Hutton Insurance Agency is confined to a Wichita hospital.

C. T. Franks, veteran local agent at Winfield, Kan., is seriously ill. His son, Willard J. Franks, is looking after his business.

O. B. McKinney, president, and E. M. McKinney, secretary, have announced that the O. B. McKinney Agency, Mt. Vernon, Ia., will be dissolved.

STATES OF THE SOUTHWEST

Clarke Oklahoma City Head

Energetic Leader Relected by Fire and Casualty Underwriters at Annual Meeting

At the annual election of the Oklahoma City Fire & Casualty Underwriters the following officers were elected for 1933: President, E. W. Clarke, Gardner, Clarke & Sullivan, unanimously re-elected; vice-president, Jack Upsher, Upsher & Upsher; treasurer, Leland Booth (reelected).

Executive committee members are: J. S. Adams, F. W. Ball, Herbert Heiman, Leland Booth, Jack Upsher and E. W. Clarke.

Mr. Clarke was relected because of his untiring efforts and his sincerity in cleaning up a most deplorable condition in the insurance business in Oklahoma City. He has this year inaugurated a reciprocity campaign, for the purchase of stock insurance by local merchants in Oklahoma City. He has also outlined a program for handling all municipal insurance through the Oklahoma City local board.

Secretary M. M. Keys was authorized to write a letter to Senator T. P. Gore recommending the appointment of William Murdoch as superintendent of insurance for the District of Columbia.

To Check Burglary Rates

OKLAHOMA CITY, Jan. 11.—The city council has instructed W. H. Brown, municipal counselor, to check the records of the state insurance commission in an investigation of the burglary and robbery rate increase. Police Chief John Watt has also been instructed to prepare statistics on robbery and burglary experience in the last four years.

Tulsa Has Low Loss Record

TULSA, OKLA., Jan. 11.—Tulsa's 1932 fire loss was eighth lowest in its history. Loss per capita last year was 84 cents as compared with 87 cents the preceding year and \$1.25 in 1930. Damage was estimated at \$120,000 for the entire year, \$90,000 of it the first six months.

Wilkinson Takes Whole State

OKLAHOMA CITY, Jan. 11.—J. E. Wilkinson, for many years state agent for Trezevant & Cochran in the western half of Oklahoma, has taken over the entire state. Walter Kline, formerly state agent for eastern Oklahoma, has entered the local agency field at Muskogee, Okla.

Expect Insurance Bills

OKLAHOMA CITY, Jan. 11.—Bills having to do with insurance matters that have been considered by different organizations interested are expected to be introduced in the Oklahoma legislature now in session within the next few days. The agents' qualification law, which would make drastic changes in the present statute, is expected to be

completed and ready for introduction soon. This would practically restrict all those seeking an agent's license to conform precisely with the law in that they must engage in the insurance business. This covers all classes of insurance, but fire and casualty in particular.

The special committee appointed some time ago by Governor Murray to make a special survey of conditions relative to the workmen's compensation insurance in making its report will at the same time submit a bill which it will recommend for passage by the legislature.

Farmer Takes New Field

Allen Farmer, special agent of the Republic of Dallas, has been transferred from Abilene to Lubbock and will supervise the Panhandle territory heretofore handled by L. E. Montgomery, who retires to accept a position with another organization.

Joins Security National

Milton Heuerman, formerly assistant secretary of the Western National Fire of San Antonio, has been appointed special agent of the Security National Fire of Galveston for southwest Texas, with headquarters at San Antonio.

Texas Conference Meeting

The executive committee of the Texas Conference is holding a meeting in New York Friday of this week. Secretary R. B. Cousins of the Texas fire prevention committee will appear.

Arkansas Loss Five Million

LITTLE ROCK, ARK., Jan. 11.—Arkansas in 1932 had a total fire loss of \$5,413,135, including \$1,113,950 as the December loss, the largest monthly total since January, 1931, according to the state fire prevention bureau report. There were 1,151 dwellings burned, valued at \$1,841,915, compared with 892 dwellings valued at \$1,550,655 destroyed in 1931.

Would Revise Texas Law

DALLAS, Jan. 11.—A revision of the Texas compensation insurance law will be asked at the present session of the legislature, it was decided at a meeting of interested employers from all parts of Texas here. The industrialists and others are asked by the leaders of the movement not to cancel their workmen's compensation insurance until the legislature has time to act in the matter of revising the statutes to provide a lower rate, which they claim is essential in these times if the employers are to protect the employees.

Dallas Losses Lower

DALLAS, Jan. 11.—Dallas fire losses for 1932 totaled \$1,070,000, nearly \$200,000 less than for 1931 and the lowest since 1921. December losses of approximately \$190,000 pushed the total above what had been anticipated and as a result the city probably will receive

neither credit nor penalty for its fire record.

Dallas has been considered a "hot town" for years. The district attorney 16 months ago assigned an assistant to investigate suspicious fires and prosecute arsonists. His work has held the activities of firebugs in check, it is said. The number of incendiary fires has decreased and the number of convictions on arson charges materially increased, the report of the prosecutor shows.

Amarillo Exchange Incorporates

The Amarillo (Tex.) Insurance Exchange has incorporated. Among the incorporators are George S. Williams,

Fancher Upshaw and Rolla V. Cartwright.

San Antonio Exchange Meets

A get-together meeting of all members of the San Antonio Insurance Exchange was held Jan. 10. Both recording agents and associate members attended.

Oklahoma Notes

The E. Kell agency, Clinton, Okla. has been purchased by A. C. Crawford.

J. W. Temple of the Temple-Brashear Insurance Agency, Texarkana, Ark., has purchased the interest of H. S. Brashear and is now sole owner of the agency.

IN THE SOUTHERN STATES

No Improvement Is Shown

Tennessee Loss Ratio and General Conditions Continued About the Same as 1932

NASHVILLE, Jan. 11.—With a general average loss of 76 percent in 1931, the situation in Tennessee for 1932, as viewed by field men, holds no promise of improvement.

Conditions in the four major cities, Nashville, Memphis, Knoxville and Chattanooga, with efficient fire protection, have been reasonably good, but farm losses and losses in unprotected dwelling areas continue very bad. Losses in Memphis and Knoxville on small outlying property have shown some improvement, but corresponding types of property in Nashville and Chattanooga have not fared so well.

Field men are of the opinion that closer scrutiny must be made in the future as to moral hazard. They attribute a great deal of the present trouble and high loss ratio to cheap construction in outlying areas and to the further fact of the upholding of the Tennessee valued policy law.

Delinquent Rule Approved

NASHVILLE, Jan. 11.—At the Tennessee Fire Underwriters Association's January meeting here the approved delinquent agency balance rule was adopted. Fire prevention was discussed and C. F. Zehnder, Phoenix, was appointed chairman of the committee to arrange for town inspections. The high loss program was also commended and it will be put in operation in approximately 40 towns.

New Georgia Forms Popular

ATLANTA, Jan. 11.—The Georgia Inspection & Rating Bureau began the use of the new consolidated forms for dwelling and furniture policies Jan. 1. The new forms are very popular with local agents, as the completed policy is very much lighter, and will result in a saving of postage, as well as labor in the clerical departments. Three forms are issued for use in Georgia, for city, suburban or partially protected communities, and for country risks.

Adopt New Balance Rule

LOUISVILLE, Jan. 11.—The Kentucky Fire Underwriters Association at its January meeting adopted the mandatory balance reporting rule, which now goes into effect in this territory as in all others, in support of the 45-day balance rule. This regulation covers the entire state territory, including excepted cities.

Seek Compulsory Law Repeal

BIRMINGHAM, ALA., Jan. 11.—Growing distrust in the Alabama state insurance fund's ability to pay losses makes it almost certain that an effort will be made at the present legislative session to have the law repealed which

required counties to take out insurance with the state fund rather than with insurance companies. Such action will likely be inaugurated by Representative W. C. Green, Birmingham insurance agent, who has received a letter from R. E. Thomason of the Jefferson county board of education protesting against the county having to pay premiums to the state fund on \$225,000 fire insurance.

La Roque Chief Deputy

O. K. LaRoque has assumed his new position as chief deputy of the North Carolina department. He resigned as vice-president of the Winston-Salem Home Loan Bank and has returned to Raleigh. He succeeds Maj. A. L. Fletcher, who has become commissioner of labor and printing.

Revision of Alabama Laws Needed

BIRMINGHAM, ALA., Jan. 11.—Alabama's insurance laws should be re-coded, vague phrases eliminated and the insurance commissioner given more power to protect the public interest according to opinions of several leading insurance men. Many of the laws are old and others have been placed on the statute books at the behest of special interests and with small regard to public rights. Commissioner Greer has found his hands tied in his efforts to enforce an agency qualification law. There is a possibility that the commissioner with the aid of attorneys may later take over the task of rewriting and simplifying the state's insurance code.

Gets Out Tennessee Bulletin

Secretary L. M. Ross of the Tennessee Association of Insurance Agents at Gallatin has started the publication of the "Tennessee Booster," a bulletin sent to members of the organization.

Saint Assumes New Post

J. D. Saint, formerly of Louisiana, has assumed his duties as manager for the North Carolina Association of Insurance Agents, with offices in the Lawyers building, Raleigh.

Mr. Saint says the association will not sponsor any legislation at the session which began Jan. 4, but that vigilant watch will be kept against any measures that would "endanger our livelihood or the interests of our clients."

"We think it would be very inexpedient to advocate any reforms at this time," he added.

Nourse on Southern Trip

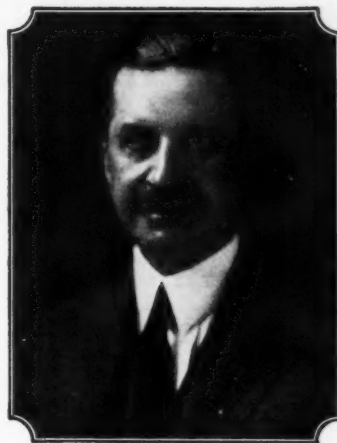
Everett W. Nourse, United States manager London Assurance, was in Richmond, Va. last week on a business trip, visiting the general agency firm of Gordon, Brown & Carter, representing his company in that territory.

Virginia Notes

C. E. Georgehan Sons & Co., Clarks-ville, Va., have been thrown into bankruptcy by their creditors.

Cuthbert Bros., Petersburg, Va., one of the oldest local agencies in Virginia, has been placed in receivership. It had been in continuous operation for 75 years.

Speaks in Boston



CECIL F. SHALLCROSS

One of the main speakers at the annual banquet of the New England Insurance Exchange at Boston was C. F. Shallcross, United States manager of the North British & Mercantile fleet, whose public utterances are always heard with keen interest.

Eastern States Activities

Proposed Code Is Criticised

Insurance Men Bring Out Many Objections at Hearing on District of Columbia Measure

A number of insurance men appeared at a hearing before the insurance and banking sub-committee of the House District of Columbia committee to express opposition and criticism of the proposed insurance code for the district. After the hearing, the chairman of the sub-committee announced that his group would hold conferences with representatives of the corporation counsel and insurance department of the district to review amendments and to determine a future course.

H. J. Drake of the Association of Casualty & Surety Executives said that companies can organize under the present marine insurance act of 1922 of the district to transact nearly every form of insurance except life and fidelity and surety through provisions that conflict with similar requirements in the proposed code. E. S. Brashears, attorney for the Insurance Club of Washington, entered similar objection.

Clapham Murray of the Maryland Casualty also claimed that the proposed bill could not be reconciled with the marine act. He filed two memoranda, one arguing against permitting mutual companies to write fidelity and surety and the other against permitting mutuals to write non-assessable policies.

A. C. Charles of the American Institute of Marine Underwriters and A. V. Gruhn of the American Mutual Alliance said that conflicts between the marine law and the present bill can be reconciled.

Mr. Gruhn stated that mutual companies should be permitted to write fidelity and surety. Most states, he said, permit mutuals to write non-assessable contracts and he declared there is no reason why liability of policyholders should not be limited when a company has built up a large surplus. He said there is no justification for competing companies to seek a monopoly through legislative enactment.

J. H. Doyle of the National Board said that fire companies should not be

subjected to additional legislation and that rates are lower and policy forms broader in the district than in any other jurisdiction.

Will Have Sales Congress

Pittsburgh Insurance Club Combines Its Annual Banquet With a Notable Educational Program

The Pittsburgh Insurance Club, which for the last six years has held an annual dinner that has been one of the big affairs of the year insurance-wise, will depart this year from its usual custom and its annual dinner will be held in connection with an insurance sales congress to be held Feb. 6-7. The dinner will take place Feb. 7. There will be sales talks during the two days on casualty, life, fire, accident and health lines by speakers of national prominence. The program for the dinner will be very attractive. Editor Clarence Axman of the "Eastern Underwriter" will be a speaker.

The committee in charge of the entire affair is F. S. Guthrie, A. E. McCloskey, John C. McCarthy, C. A. Reid, C. H. Bokman, P. C. Knight, J. J. O'Donnell, Albert C. Supplee, R. H. Alexander, W. H. Kensinger, E. W. Murphy, A. W. Pardew, Jay M. Holmes, Clarence Alexander, J. W. Henry, Jr., Charles E. Schick, J. W. Arrott.

Cooperating with the Insurance Club in this effort to stimulate the sale of insurance in all lines are the following Pittsburgh organizations: Pittsburgh Casualty Association, Pittsburgh Fire Agents' Association, Pittsburgh Surety Association, Pittsburgh Life Underwriters Association, Pittsburgh Accident & Health Managers' Association.

Holgar J. Johnson, manager of the Penn Mutual Life at Pittsburgh and active in the life underwriters' movement, will act as toastmaster.

E. E. Cole, Jr., is president of the Pittsburgh Insurance Club; J. J. O'Donnell and A. C. Supplee, vice-presidents; H. S. Bepler, secretary.

Agents License System in Pennsylvania Is Revised

Commissioner Armstrong of Pennsylvania has informed the companies of a new agents' license system, which is being put in force in his state. The new form is called a dual card and replaces the certificate of appointment, the April 1 renewal list and all forms of agents license.

The upper half of the dual card is a certificate of appointment, while the lower half is the agent's license. The lower portion, after going through the hands of the department, will be turned over to a representative of the company for delivery to the agent. The cards, Commissioner Armstrong advises, must be arranged alphabetically and filed in the insurance department not later than March 1. One supplemental list may be filed between March 1 and March 15.

The so-called new agent's form will take the place of the long form questionnaire and the qualified agent's form will take the place of the old short form.

Pennsylvania Agents Seek to Strengthen State Laws

The Pennsylvania Association of Insurance Agents plans to ask the Pennsylvania legislature to pass several strong regulatory laws. One bill prepared requires that premiums received by an agent be considered as trust funds and payable to the companies on demand. Violation, among other penalties, would call for revocation of the agent's license. The association also will advocate passage of a bill calling for a \$25 license fee for agents and brokers. It is felt that this high figure would keep

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many undesirables out of the business. J. W. Henry, of Pittsburgh, long active in association affairs, heads the state association committee which is drawing up the legislation.

Gets Pearl in New Jersey

NEWARK, Jan. 11.—Monroe D. Hess, formerly general agent for the Public Fire and the American Colony, which has just been taken over by the Home, has been appointed general agent for the Pearl Assurance for New Jersey and will develop an agency plant in the state.

Philadelphia Agents Meet

The Philadelphia Insurance Agents' Association meets next week to consider a proposed program, for the year, which, if adopted, will be one of the most extensive ever undertaken by any local association. The plan calls for an active association with an all-year program. The program is being backed by

several leading agents in Philadelphia, among them being W. J. Chase, who was chairman of the convention committee of the last convention of the National Association of Insurance Agents.

Newark's Losses Below Million

NEWARK, Jan. 11.—For the first time in 15 years Newark's fire losses have dropped below the million dollar mark. The estimated 1932 total is \$963,000. In his report, the fire commissioner states that fire prevention through the mail has proved very successful, more than 1,000 letters having been sent to property owners recommending the correction of fire hazards which have been made and more than 150,000 inspections were made.

Smoke & Cinder Club Meeting

The January meeting of the Smoke & Cinder Club of Pittsburgh was held Monday evening. The entire meeting was devoted to club affairs. R. W. Maytham, the president, presided.

PACIFIC COAST AND MOUNTAIN

Mountain Field Club Elects

L. Allen Beck Chosen President at Annual Meeting—Membership Reported as 100 Percent

DENVER, Jan. 11.—L. Allen Beck, president of the Allen Beck General Agency, was elected president of the Mountain Field Club at the annual meeting, succeeding A. J. Lehwaldt, America Fore. Roy G. Harris, state agent Hartford, is vice-president, and R. H. Stebbins, Mountain States General Agency, was reelected secretary-treasurer.

C. H. Hardin Smith, state agent Commercial Union, is a new member of the governing committee. Clarence Cobb, Cobb & Stebbins general agency, and H. A. Reynolds, state agent Home, are holdover members. New members of the automobile committee are B. M. McDonald, Aetna Fire; H. J. Helmkamp, America Fore; J. M. Harris, North America, and H. A. Amonette, St. Paul Fire & Marine. Holdover members are M. W. Parker, Fireman's Fund; R. B. Wallace, National Fire, and F. R. Lanagan, Daly General Agency.

President Beck announced that the membership of the club is now 100 percent of the eligible representation in the mountain field.

Logging Pool Will Continue

Favorable Results Reported for Year in Spite of Greatly Reduced Premium Income

SEATTLE, Jan. 11.—Continuation of the Logging Underwriters & Inspection Association, familiarly known as the logging pool, is assured for another year following a favorable fire season in Washington and Oregon. The pool underwrites logging equipment and felled timber. Though 1932 premiums were but 10 percent of average returns at the peak of the business, the fire loss was so small that a favorable balance for the companies materialized at the end of the year.

Originally there were 91 companies in the pool. Unfavorable years gradually reduced these to 35. Next year the Hartford group will join the pool and about 40 companies will participate. E. B. Ellis of Seattle will be employed on a part-time basis as manager. He has had wide experience in both lumbering and insurance.

Difficulty in determining premiums, owing to the exceedingly variable fire losses each year, has made this forest underwriting speculative. Those inter-

ested maintain that a long period of years must elapse before the logging pool can be called an unprofitable or profitable venture.

Northwest Field Club to Meet

The Special Agents Association of the Pacific Northwest will hold its annual meeting at Seattle Jan. 20. M. F. Penfield, Liverpool & London & Globe, is new chairman.

Joins General Agency

SEATTLE, Jan. 11.—Ben A. Ludlow, for the past 15 years special agent here for the North British fleet, has resigned effective Feb. 1 and will become manager of the United General Agency, affiliate of the United Pacific Casualty, which serves the Washington, Oregon and Idaho field for fire and casualty.

H. J. Vallentyne will be special agent and M. J. Sewey will serve as chief underwriter.

Fowles President of Senate

Frank Fowles, head of the Associated Insurance & Investment Company of Ogden and a prominent member of the Utah Association of Insurance Agents, has been elected president of the Utah senate. Mr. Fowles has been a member of the Utah legislature for a number of years.

Opposes New Rules

DENVER, Jan. 11.—The Colorado Springs Insurance Board has addressed a letter to the Mountain States Inspection Bureau giving its opinion that the new "other insurance permitted" rule and the vacancy permit rule will not be satisfactory to the companies nor the insuring public, and requesting changes as soon as possible.

President Floyd Padgett says the rule will have a tendency to increase the moral hazard, resulting in more incendiarism. "It was our opinion," he said, "that the 'other insurance permitted' rule put the local agent in the position of establishing the value on properties and there is likely to be over-valuation of properties, as most local agents would be anxious to set the value high enough so that the insured would be fully protected."

Belgrano on Program

Frank N. Belgrano, Jr., president Pacific National Fire, is the latest addition to the speakers' list for the annual meeting of the Fire Underwriters Association of the Pacific in San Francisco Feb. 7-8. The theme of the entire meeting is to be based on lessons learned the past three years and Mr. Belgrano will dis-

cuss these lessons from the standpoint of finance.

Ross Appointed by Fisher

The I. M. Fisher general agency at Los Angeles has appointed R. N. Ross vice-president. Mr. Ross was formerly manager of the insurance department of the San Diego Trust & Savings Bank of San Diego, Cal., and is well known in insurance circles of southern California.

Salt Lake City's fire loss in 1932, \$203,415, was the lowest in the past eight years. Chief Knight says slightly over 50 percent of the 1932 losses were covered by insurance.

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The National Underwriter

January 12, 1933

CASUALTY AND SURETY SECTION

Page Twenty-five

Wide Interest as to Compensation

General Feeling That Collective Action Must Soon Be Taken

HOPE TO SAVE THE LINE

President of One of the Important Companies Writes Frank Letter to Agents

NEW YORK, Jan. 11.—There is wide interest among casualty companies writing compensation insurance on the proposal to make the top commission 10 percent and the commission to brokers and producers 5 percent. This naturally has aroused a storm of protest out on the firing line. Many companies will be swayed by the influence of their agents while others declare that rather than give up compensation entirely they are willing to pay a less commission. The committee on acquisition cost for New York consisting of 16 members has this question before them and when a general meeting is called later on, the committee probably will have something to suggest.

Want Much Information

There is no subject that is engrossing the minds of officials so much as this. There are a hundred and one problems in connection with workmen's compensation that make it an engrossing one. For instance, the companies are pretty much in the same position as the railroads which are under the domination of the Interstate Commerce Commission. The railroads are being ruined by red tape and slow suffocation and are being harrassed to furnish all sorts of records and statistics. The casualty companies are in the same position with regard to workmen's compensation. Their own bureaus require a multitude of data and then the states themselves with the insurance commissioners, industrial boards and state rating authorities, all seek to get additional information and thus the companies are put to it. They have to put on extra clerks and bolster up their statistical departments in order to comply with the multitude of demands.

Losses Progressively Worse

In a number of states the authorities have disapproved of the proposed new rates filed. Therefore, it is evident that the companies cannot hope to get much relief from increased rates. They have been underwriting and trimming and little more can be expected from that score.

One company president has written a frank letter to its agents calling attention to the fact that underwriting losses since 1925 have become progressively worse. He believes that the underwriting loss for 1932 will be practical.

(CONTINUED ON LAST PAGE)

Increase in Rate on Reimbursement Cover Announced

NEW YORK, Jan. 11.—The Bureau of Accident & Health Underwriters announces that there will be an increase of 16 2/3 percent for the reimbursement feature of accident policies as of April 1. The statistical committee mobilized the experience of all companies in the bureau and after its work was completed the underwriting committee reviewed the results. It was plain to be seen that the reimbursement charge is not sufficient. The bureau, or at least some of the members, inaugurated this added provision for accident insurance, having in mind the fact that it would stimulate interest on the part of agents who could go to their old policyholders and would have an additional talking point with new prospects.

Scope of the Provision

This provision places a maximum sum, which will be paid to policyholders for all medical and hospital expense. The policyholder himself chooses the maximum amount he desires to purchase. This provision, however, takes the place of all specific indemnities paid for medical and hospital service, amputation, etc., in the regular policy. Some companies started a very strong campaign in selling and built up a handsome business. As time went on, it became apparent that the companies were insuring not only the policyholders but the surgeons and doctors as well.

In the regular policies a specific amount was paid for amputation and usually there was a definite sum for hospital treatment, operations, and the like. Medical fees were paid up to a reasonable sum. Therefore, the policyholders and the doctors knew just what could be expected in case payment was made.

Door Is Wide Open

Under the reimbursement provision the door is wide open. It has been found that doctors and surgeons endeavor to ascertain at once whether a patient has the reimbursement clause and if so for what amount. It seems a coincidence that in many cases the fee of the surgeon or doctor just about absorbs the amount of the reimbursement guaranteed. Undoubtedly the medical profession has taken advantage of this clause. The amount paid out for medical and hospital service has increased greatly because of this new wrinkle. Some underwriters feel that the reimbursement clause has opened the way for padding of fees and that there is no legitimate way to check the practice except to make the charge accordingly. The underwriting committee therefore felt that the rate should be increased. Whether the 16 2/3 percent is sufficient remains to be seen.

As a further step toward checking the mounting cost under this provision, some companies have adopted the plan of eliminating payment for partial accident disability as well as the special indemnities provided in many policy forms, where the reimbursement provision is included.

Union Failure Spectacular

Crash of New Orleans Group Has Repercussions Throughout the Country—Scramble On to Get Risks Covered and Turned in New Channels

The Union Indemnity receivership was a shock to the insurance world, although, to many in the business, the surprise was not so much that the end had arrived as that it came without warning as to its immediacy. An answer has not been given as to why the receivership came when it did. The general impression is that action threatened from the outside and the insiders, therefore, took precipitate action to get a receivership under the most favorable auspices. Sanford Levy, vice-president of the Union Indemnity, is one of the receivers.

Company Has Colorful Career

The Union Indemnity was a colorful company. The personage, who most widely represented the Union Indemnity in the mind of the business, is Mike M. Moss, who resigned suddenly a few weeks ago as senior vice-president and who is a brother of W. Irving Moss, the president. Mike Moss was a lavish entertainer and at conventions he set up headquarters in spacious suites. He traveled throughout the country in an automobile, driven by Sammy Fast, secretary and chauffeur. In New Orleans, he would initiate friends in the business into the horse racing world. Probably more than anyone else he held up the production morale of the company. Many insurance men throughout the country rested on his assurance that the Union Indemnity would pull through. When he resigned, this confidence in the company was shaken and some persons then expressed the belief that his retirement was an omen of the end.

Insurance Securities Owner

The Union Indemnity rode the boom to the utmost and succumbed to most of the temptations in the way of underwriting, investments, and expenses. It was owned by the Insurance Securities Corporation, which also, at the end, owned the La Salle Fire, Union Title Guarantee Company, and Detroit Life. All except the Detroit Life are in receivership. At one time the Insurance Securities also owned the New York Indemnity, which was purchased from the National Surety and later merged with the Union Indemnity; the Iowa Fire, which was sold to the Aetna Life, and the Bankers & Merchants Fire, which was reinsured by the La Salle Fire. The Union Indemnity people were preoccupied with the stock market. When times were good, they would get out an annual prospectus listing all the stocks owned. The Insurance Securities was listed on the New York curb and the day before the receivership sold at 50 cents. Perez Huff, former manager of the Travelers, was stationed in New York just to market Insurance Securities stock.

Just before the annual meeting of the National Convention of Insurance Commissioners, it was announced that the Insurance Securities was increasing its

capital by \$2,000,000, that the issue was being underwritten in the east and that the money was to be contributed to surplus of the Union Indemnity. Mike Moss, at the commissioners' convention, made the rounds, assuring the state officials that they need no longer worry about the Union Indemnity. It leaked out that the Julius Barnes-Frank Cohen interests were to underwrite the \$2,000,000 issue. One story, in connection with this proposed deal is that Mike Moss was to displace his brother as president and that this led to the retirement of Mike Moss. At any rate Barnes and Cohen backed out. Then, it was announced that Insurance Securities had contributed \$800,000 to the Union Indemnity and that the Union then had surplus of \$1,000,000 and capital of like amount.

Loan from R. F. C.

A. M. Best & Co. prints the report that Insurance Securities obtained a \$1,000,000 loan from the Reconstruction Finance Corporation in December and that this provided the contribution to the Union. Best & Co. states they are advised the total borrowings of the affiliated enterprises are \$3,250,000. The Moss brothers are close to Senator Huey P. Long of Louisiana and had many political business getting hook-ups in the state.

Some of the newspapers printed dispatches from New Orleans indicating that the business of the Union had been reinsured in the Aetna Life companies. What happened was that the Aetna Life companies had issued binders covering the policies placed through the Hartwig Moss agency of New Orleans. The erroneous report that all of the Union's business had been thus covered caused much confusion. Many insurance men, under this misapprehension, assured friends and clients, who were insured in the Union, that they were protected. It was several days before the notion was finally dispelled that the Aetna Life had assumed the liability. The Aetna Life issued the binders on the Hartwig Moss business temporarily until the business can be reviewed and a selection made of the lines that are desired for final commitment.

Crash Causes Hubbub

The day the Union crashed, insurance centers throughout the country were in a hubbub. Agencies made frantic efforts to get their clients covered elsewhere. To many of the smaller and weaker agencies, it looked like the end. Other agents were busy way into the night calling desirable Union Indemnity assureds and getting out soliciting mail. Employees of the Union Indemnity branches and special agents were trying every contact in an effort to land new jobs. This was the most spectacular failure of the depression. Other failures have been of local companies. The New Jersey Fidelity & Plate Glass reinsured most of its business before it

went under and the Southern Surety had reduced its liability greatly.

Perhaps no company could have collapsed that caught more people than the Union Indemnity. Brokers and agents in days gone by placed risks with the company that their own would not handle. They had to cater to the assured on rate or form. It paid liberally for business. The Union Indemnity started a few years ago to specialize on peculiar coverages. This drew considerable business to it. Then in many quarters the company had powerful political and financial influence which threw business its way, especially contract and other bonds. Furthermore, the company was aggressive and its managers and general agents pushed out for business with a considerable fanfare of trumpets.

Publicity Effective

The Union Indemnity had an effective publicity department in charge of W. B. Wisdom, who was prominent in the southern section of the Insurance Advertising Conference. There was plenty of material coming from the publicity end and therefore the company was kept prominently before the fraternity.

The Union Indemnity took advantage of its contacts. When the National Association of Insurance Agents met in New Orleans it was the chief entertainer. It had an elaborate suite in the Roosevelt and in the lobby had a large oak tree representing the Union Indemnity in its various ramifications. It was the replica of its seal.

Mike Moss was the entertainer de luxe and par excellence but he had many associates who were adept in the line. Whenever he attended a convention he established hospitable headquarters and had one or two home office people with him together with Union Indemnity managers nearby. He always attended the insurance commissioners' conventions. Recently he was accompanied in that capacity by Vice-president L. F. Koppang.

Backed by Vaccaros

The Union Indemnity was supposed to be backed very heavily by the Vaccaro family, who owned the Standard Fruit Line. This was supposed to be an unlimited source of money if it was necessary to draw on it. There were three members of the family on the board, they being F. T., Joseph and Luca.

At the famous New Orleans agents' convention, in addition to the great entertainment at the hotel and at the Union Indemnity office, all hands were taken on a boat ride as the Vaccaro people owned the steamer. At the time the agents met there the Mosses were operating the Roosevelt hotel for the Vaccaro people and Mike Moss was the general manager. The two Moss brothers were prominent in New Orleans and sprang from the Hartwig Moss Insurance Agency, which was founded by their father.

W. Irving Moss has always been considered a shrewd business man and was looked upon as the balance wheel and strength of the organization. He made trips ever and anon but was not the picturesque figure that his portly brother was. He was urbane and dignified.

Owned Two Buildings

The Union Indemnity owned its home office building in New Orleans and had a building in New York City. Undoubtedly the Moss brothers had ambitions to build up a great insurance fleet which would be unequaled in the south. They had a vaulting ambition but they reached out far beyond their depths. Because of their aggressiveness and their advertising proclivities in all sections of the country, there was no company that was better known to all insurance men. The Union Indemnity people sought to impress themselves on the fraternity wherever they went. They were always spectacular and while from time to time there were those who were

(CONTINUED ON PAGE 29)

Public Warned of Taxation Burden on Their Insurance

JONES URGES ACTION NOW

General Manager of Casualty Executives' Group Heard Throughout Nation Over Station WJZ

Now is the time to do something about the "57 varieties" of oppressive taxes on insurance and policyholders, in view of the fact that legislatures of 41 states are in session or soon will be, F. Robertson Jones, general manager, Association of Casualty & Surety Executives, declared in an address to the public on "Taxing Misfortune," delivered over station WJZ and the Blue network, and sponsored jointly by the National Broadcasting Company and the American Taxpayers League.

He declared that the insurance-buying public is saddled with special taxes aggregating 7 cents of every dollar they pay for insurance. He urged that the amount of taxation be printed in large type on every policy so people would know where so much of their money spent to guard against misfortune is going.

Violates Basic Idea

The basic idea of taxation, he said, is that every person should contribute toward support of government in proportion to his ability to pay, which thus is a tax on good fortune. There should be quite a general agreement to the principle that misfortune is not a proper subject for taxation.

"Political opportunists, however," Mr. Jones said, "often find that even this simple kind of justice in taxation does not suit their purpose or needs. They incline towards Colbert's theory that taxation is the art of plucking the goose so as to obtain the greatest amount of feathers with the least amount of squawking; and they act accordingly. What else, in truth, is taxing protection against misfortune if it is not taxing misfortune? And that is exactly what taxation of most forms of insurance clearly is, whether life, casualty, surety, fire or marine.

Insurance Doesn't Create Values

"An insurance company, no matter where chartered, is only a 'handler' of the premiums it collects from policyholders," he said. "It does not create values in the same sense that a factory does. It fabricates no raw materials, nor distributes commodities. It is the medium through which the social and economic effects of a large variety of misfortunes are mitigated and relieved.

"To burden heavily these collections for general government purposes," he said, "is not only a direct contradiction of the theory of ability to pay, but it is also an unconscionable, arbitrary and unsocial exercise of the taxing power."

Levy Only for Supervision

He stated that insurance, of course, should be taxed, but only to the extent of providing funds for its proper and economical supervision. But in 1930, state treasuries absorbed \$95,500,000 of the \$100,000,000 special premium taxes collected on insurance when only the balance of \$4,500,000 was needed to defray the cost of supervision. In other words, he said, insurance policyholders were gouged twice for the state general revenue fund: once as general taxpayers and a second time as owners of insurance policies. The uninsured escape this double burden.

Mr. Jones commended a majority of state insurance commissioners who are opposed to excessive and unfair taxation of insurance.

The Aetna Casualty has transferred from the Wheeler-Kelly-Hagerty agency at Wichita, which has represented it for 20 years, to the Noble Mortgage Company, whose insurance department is in charge of Jerry Simpson.

Casualty Companies Launch New Board on Pacific Coast

COOPERATE WITH FIRE BOARD

Move Made to Stabilize Conditions There—Separation Is to Be Feature of Program

SAN FRANCISCO, Jan. 11.—The Board of Casualty Underwriters of the Pacific is the new organization formed by casualty companies here to bring about more stable conditions in the business by cooperating with the fire insurance board along the lines suggested by Paul L. Haid, president Insurance Executives Association. Plans for the new organization have been under way for several months and final action was taken Jan. 5.

H. E. McClellan, Pacific Coast vice-president Maryland Casualty, was elected chairman and Bert G. Wills, vice-president Fireman's Fund Indemnity, vice-chairman. In addition to the officers the executive committee includes R. H. Griffith, Glens Falls Indemnity; L. R. Swezey, Globe Indemnity; R. W. Stewart, National Surety; C. A. Teasdale, Continental Casualty; Joy Lichtenstein, Hartford Accident & Indemnity; W. J. Gardner, Ocean Accident; R. W. Forsyth, Indemnity of North America, and E. C. Porter, United States Fidelity & Guaranty.

Would Bring About Separation

The meeting was attended by the principal representatives of 14 companies, most of whom are expected to obtain authority from their home offices to join the board.

Among the objects of the organization is separation along the lines enforced by the fire board. The leaders in the movement to bring about greater coordination of operation between the fire and casualty companies state that the new board will not be a substitute for the California acquisition cost conference but will supplement it, while going farther in other phases to eliminate waste and unnecessary expense.

According to present plans the executive committee is to name a conference committee of seven to meet with a similar group from the Board of Fire Underwriters of the Pacific. Many fire company managers have expressed a hearty interest in the new body and several who operate both fire and casualty companies are taking an active part in getting the new board under way.

Chicago Burglary Club in Effort to Revive Interest

The election in the Burglary Underwriters club of Chicago will be by mail vote, it was decided at the annual meeting this week. A nominating committee composed of Ralph Johnston of Moore, Case, Lyman & Hubbard; H. P. Schewe, Glens Falls Indemnity, president of the club; James Talon, Travelers; George Rick, Aetna Casualty, and W. A. Coen, American Bonding, will prepare a slate. The club has been inactive for some time, having skipped several meetings. Plans are being formulated to revive interest.

Will Determine Its Future

NEWARK, N. J., Jan. 11.—The Public Indemnity directors at their meeting this week will determine its future. There has been doubt as to what course it will pursue.

Missouri Treasurer's Bond

The \$500,000 bond on R. R. Nacy, Missouri state treasurer, who took office Jan. 9, was written by the Central Surety of Kansas City and the National Surety, with reinsurance in several other companies.

Organizing Time, Better Contacts, Sales Need Today

Better organization of the salesman's time and a better plan of contacting were urged as the two great needs in selling today, in an address by Homer Buckley, advertising and sales promotion executive, before the Accident & Health Insurance Club of Chicago Monday.

Mr. Buckley pointed out that if it took five calls to make a sale in 1929, it takes ten calls today, which emphasizes the need for organization of selling time. He declared that there is too much "grass-hopper selling," too much waste of time in calling on prospects in diverse locations, rather than routing calls so that all prospects in a certain territory could be visited on one trip. He urged that every salesman should keep a record of his week's work, to see just how many hours he spent in the presence of a customer or prospect. He referred to an analysis made by an organization which employs 300 salesmen, over a 90-day period, which showed that out of the 44 working hours in a week, the salesmen averaged only four hours in the presence of a customer. The rest of the time was wasted in long, unproductive trips, waiting in anterooms and other ways which did not produce any results for the salesman.

Is Selling Impression

He declared that the salesman is not merely selling the product or service that he has to offer, but is first of all selling an impression—of himself, his company and his product. On whether that impression is favorable or unfavorable depends very largely the making of a sale. He said there are too many one-time calls made, in which the salesman gets no results and never goes back. This is due in many cases to his failure to qualify the prospect in advance. Instead of finding out in advance how the service he has to offer fits into the prospect's business or family needs, he goes in cold and uses up a considerable part of the interview fishing for some hint from the prospect that will give him an opening for the presentation of his product or service.

Mr. Buckley divided salesmen into four classes—the "gold-getter," the man who is outstanding in ability and is always ahead of his quota; the "red blood," the fighter type, who is never "licked," but always ready to come back for more; the "true blue," the plugger type, not brilliant but always loyal and dependable; the "dull gray," the laggard, who has to be prodded constantly to get results, and the "canary," referring to color and not to vocal ability, who is a dead weight on any organization. He said that the first three classes are essential to any sales organization, but that the fourth is not of much value unless its members can be pushed on into one of the other classes, and the fifth should be eliminated as soon as possible.

Changes in Glass Manual

The new plate glass manual just issued by the National Bureau of Casualty & Surety Underwriters puts the insuring of plates even more extensively on the measurement basis instead of by value. Only a few types of glass are still rated according to value.

A new rule consolidating the rating of upper glass or glass located just above the main plates on the street floor is included in the manual. Formerly glass under and over 60 inches in small dimensions was rated at one-eighth and two-thirds of the table rate respectively. Now both classes are rated at one-quarter of the table rate. A rule has been drawn declaring that when such glass is located 12 feet above street level it shall take upper glass rates, which greatly clarifies rate procedure in this respect.

Companies Are Held Liable for Entire State Deposit

LAW LIMITATION NO FACTOR

Wisconsin Supreme Court Denies "State Loan" Contention on Excess Under Depository Bonds

MADISON, WIS., Jan. 11.—The supreme court held this week that the United States Fidelity & Guaranty and Fidelity & Deposit are liable to the state for the full loss it sustained by reason of failure of the Capital City bank of this city, affirming judgment of the lower court in every respect. The court ruled that no state official is a party to the action, under the terms of the bonds.

The balance which the state had on deposit in the bank of Madison was \$75,456. The total state deposits in that bank were \$325,456, when the bank closed Nov. 12, 1931. The surety companies under depository bonds claimed their liability was limited to \$250,000.

Wisconsin law limits state deposits in any bank to 10 percent of the banks capital and surplus. The surety companies based their appeal on this restriction, claiming the excess was actually a state loan to the bank and not a deposit. The court denied this claim, holding the excess was a deposit covered by the bonds.

Fort Dearborn Reinsures Part With Central Mutual

All business of the Fort Dearborn of Chicago has been reinsured by the Central Mutual of the same city, save the Illinois automobile business. Premiums of approximately \$200,000 are involved in the deal, which became effective as of Dec. 31. This comprised between \$75,000 and \$100,000 of Missouri business, all lines; approximately \$90,000 of Indiana business, all lines, and all the Fort Dearborn's plate glass insurance, amounting to \$30,000 to \$35,000 premiums. The Illinois department is understood to have approved the deal and it is being submitted to Missouri and Indiana.

The Fort Dearborn now is writing only its "five-point" policy in Illinois, giving fire, theft, collision, public liability and property damage protection. Recently a deal was arranged with the International Reinsurance reinsuring all but small limits on the automobile business. The company has cut its claims expense to approximately 20 percent of what it formerly was, and its overhead generally to about 40 percent of the old figure, according to President J. L. Walker. He points out that his company thus is returning to the business on which its growth was founded.

Offices Being Consolidated

A consideration of the deal, according to President Harold Schlensky of the Central Mutual was that the Fort Dearborn discontinue writing in Missouri and Indiana. The Central Mutual's Kansas City, Mo., office is being closed and the staff consolidated with that of the Fort Dearborn there under J. R. Walker, brother of the president, as manager. The St. Louis office of the Fort Dearborn is being closed and the Central Mutual will continue its office in that city under Manager E. D. Larue, who has been in charge of the Fort Dearborn's office there.

Rockford Exchange Quits

The Rockford Inter-Insurers Exchange of Rockford, Ill., has ceased operations. It wrote casualty lines. Its income was about \$90,000 a year. It had at last report \$221,404 assets and \$166,875 surplus. A. M. Maltison is president and attorney-in-fact.

Bale Retires as Standard Accident's Chicago Head

BARTHOLOMEW IS SUCCESSOR

New Amsterdam Casualty Branch Manager Takes Over Duties of Veteran Casualty Executive

After many years of service with the Standard Accident, Henry B. Bale is terminating active duties as manager of that company's Chicago branch office under a liberal retirement arrangement. Mr. Bale is a real veteran in the casualty ranks and he has had a deep influence on the business in this city.

The new head of the Chicago branch office of the Standard Accident will be V. H. Bartholomew, who is resigning as manager of the Chicago branch of the New Amsterdam Casualty—a position he has held for nine years. He will be resident vice-president of the Standard Accident. Mr. Bartholomew is one of the most resourceful and popular casualty managers in the city.

Native of England

Mr. Bale was born in England and came to the United States as a young man. After working in the steel mills as a pattern maker, he joined the Standard Accident at Chicago in 1895 as a stenographer in the claim department and assistant adjuster under W. L. Bonney. At the same time Mr. Bale studied law and in 1897 was admitted to the bar. Shortly thereafter he succeeded Mr. Bonney as claim manager and continued in that capacity until 1914, when the Chicago branch office of the Standard was opened and he was made its manager. He has been in charge of the office ever since. He was the founder of the Casualty Club of Chicago, has served as its president and is one of the strongest factors in the club. He was the first president of the old Casualty Underwriters Association of Illinois. Lately Mr. Bale has been a leader in acquisition cost deliberations and he has striven earnestly to get the Chicago business on a more orderly basis. He is the representative of the Casualty Club on the legislative advisory committee of Illinois.

Mrs. Bale is the former Miss Paula Dilg, who was once accident and health manager in the Chicago branch of the Standard Accident. A few weeks ago Mrs. Bale returned to duty in the branch in the interest of production.

Bartholomew's Experience

Mr. Bartholomew was connected with the head office of the London Guarantee in Chicago for 14 years, getting experience in practically all phases of the business. He joined the New Amsterdam Casualty nine years ago to open its Chicago branch and has been in charge, while this office has developed steadily and consistently until it now takes first rank. Mr. Bartholomew is now president of the Casualty Club of Chicago. He was formerly secretary and vice-president.

A. C. Arnold continues as manager of the bond department in the Standard Accident Chicago branch and R. J. Lavery continues as manager of the claim department. A casualty manager will be appointed later.

The New Amsterdam Casualty will announce the appointment of a successor to Mr. Bartholomew in a week or two.

Burglary Underwriters Elect

NEW YORK, Jan. 11.—Officers of the New York Burglary-Underwriters Association elected at the annual meeting are: President, W. S. Costello, Royal Indemnity; Vice-President, C. F. McLaughlin, United States Casualty; Secretary, T. J. Crowe, Bankers Indemnity; Treasurer, R. B. Spiers, Fidelity & Deposit.

All Chicago Glass Bureau Officers Relected in Meet

Main accomplishments of the Cook County Plate Glass Insurance Bureau in its six months of operation, including elimination of 50-50 policies, equity rating, three-year term policies except on private residences and increase of rates, were reported by President E. I. Fiery at the annual meeting Tuesday. All officers were reelected. There now are 21 company members, Mr. Fiery stated. Secretary Lawlor reported fewer malicious breakages. In September there were 200 such breaks, with \$10,000 loss; in October, a slight decrease; in November, 150 breaks with \$7,500 loss, and in December 89 for \$5,000. Inquiries for rates have been averaging 62 a day until the first week in January when they jumped to 82, and one day this week there were over 200, due to closing of the Union Indemnity and throwing all of that company's risks on the street.

Department Can't Impose Fine

NEW YORK, Jan. 11.—The New York court of appeals in a unanimous decision sustained the opinion of the appellate division, which held the insurance department had no right to fine anyone convicted of violating the law, that being the function of the attorney general. The case in question was that of the New Jersey Fidelity & Plate Glass against the superintendent, the latter having imposed a fine of \$10,000 against the company for alleged writing of business at improper rates. The New Jersey Fidelity is now in liquidation. The decision, however, clarified a point that had been in dispute for some time.

Chicago Club's Annual Dinner

Plans for the annual stag dinner of the Accident & Health Club of Chicago, as announced at its meeting Monday by Harold R. Gordon, chairman of the entertainment committee, include some unusual features. The dinner will be held Feb. 16 at 6 p. m. at the Hamilton Club and will be preceded during the afternoon by bowling, billiards and swimming contests there among members of the club. Recreation facilities along these lines will also be available for all members of the club.

Following the dinner, the entire party will be taken to the Chicago Stadium for the hockey game between the Chicago Blackhawks and Boston Bruins.

Because of the fact that the dinner will be held the week when the February luncheon meeting is regularly scheduled, that meeting will be advanced a week and will be held Feb. 6. The program committee hopes to secure D. C. MacEwen, vice-president Pacific Mutual Life and former president of the Health & Accident Underwriters Conference, as the speaker for that meeting.

San Gabriel Dam Bond

The Fidelity & Casualty is the originating company on the bonds in connection with the construction of the San Gabriel dam at Los Angeles, the West Slope Construction Company of Chicago being the successful bidder. The cost of the construction is \$8,600,000 and a construction bond for 25 percent of that sum and a penal bond in the same amount are being given. The premium amounts to \$145,000 and the Towner Rating Bureau has decreed a 10 percent commission.

Co-sureties on the bonds are the American Surety, Hartford Accident, Globe Indemnity, Aetna Casualty, United States Fidelity & Guaranty, Fidelity & Deposit, Maryland Casualty, Standard Accident, Standard Surety & Casualty, Indemnity of North America, Continental Casualty, Massachusetts Bonding and Employers Liability.

J. A. Blainey Connects With the Consolidated Indemnity

TAKES OVER PRODUCTION END

Well Known Executive Joins the New York Company as Its Vice-President

James A. Blainey, who until it was taken over by the Corroon & Reynolds companies, was president of the Cosmopolitan Fire of New York, has become vice-president of the Consolidated Indemnity of New York. After retiring from the Cosmopolitan he was made superintendent of agents for the Sussex Fire. In connection with the Consolidated, he will look after production and will have his headquarters at the home office, 475 Fifth avenue. Mr. Blainey's real education was along casualty and surety lines. He started in insurance with the Standard Accident. At one time he was superintendent of agents for the Ocean Accident in New York City and later was associated with the General Accident. The Consolidated Indemnity under President A. B. Samuels is rounding out its affairs so that it gives first class service in the field. Mr. Samuels is a high grade executive and a hard worker, who has a very constructive policy for the company.

To Ask Increased Rates for Wisconsin State Fund

MADISON, WIS., Jan. 11.—A bill providing for increased premiums on state insurance of public deposits in Wisconsin banks will probably be proposed to the legislature shortly after it opens here Jan. 11, according to Theodore Dammann, Wisconsin secretary of state, in order to make the state depository fund solvent. The fund was created by the 1931 legislature to cover bank deposits of the state throughout Wisconsin.

Board Doubles Premiums

Originally fixed by the legislature at 1 percent of the average daily balance of public deposits in a bank, premiums were doubled by the board on Oct. 1 because the fund has had large demands upon it. The new bill will provide that increased premiums will later be repaid to banks when a surplus is obtained.

It is expected there will be a fight in the legislature against the state depository bond fund, a number of leading democrats voicing their objection to it, declaring that its losses will eat heavily into the general fund, and that the general fund cannot or should not make the necessary guarantee on this depository insurance.

Cavanaugh on Tour

Maj. W. P. Cavanaugh, manager of the Central Index Bureau, will speak on claim racketeering at Kansas City Jan. 13, later visiting St. Louis, Oklahoma City and perhaps other centers in the interest of the Accident Recording Bureau which the casualty companies recently established, and in which railway, public utility and kindred types of institutions have displayed great interest.

Uniform Policies Effective

The state auditor of West Virginia announces that uniform policies for automobile liability and property damage insurance will go into effect in that state Jan. 15. All companies must follow the forms drawn up by the auditor. An order directing that they be used was entered about a month ago after the attorney general had advised the auditor they might be prescribed.

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RESIDENCE BURGLARY
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For Open Territory—A-1 Agents

WRITE
P. W. PICKERING
Secretary

NEWS OF THE COMPANIES

Lexington Surety Taken Over

**Bail Bond Company to Be Liquidated
by the New York Insurance
Department**

The Lexington Surety & Indemnity of New York City has been taken over by the New York department for liquidation on order of Supreme Court Justice Lydon. R. A. Brennan, special deputy superintendent in charge of liquidations, has taken possession of the company.

The New York department alleged that an examination as of Aug. 31, 1931, showed the assets of the Lexington Surety to be \$426,802 and liabilities, exclusive of capital, \$461,146. This is on the basis of average valuations. The department alleged that the company's capital of \$250,000 had been wiped out.

The Lexington Surety & Indemnity was started in 1929 as the Grand Central Surety. It adopted its present name in 1931. It specialized almost exclusively in bail bonds and had incurred the displeasure of various courts because of its practices. It had been outlawed from many jurisdictions.

The president was H. H. Dorsen; vice-president, H. R. Burney, and secretary, Benjamin Shepard.

As of Dec. 31, 1931, the Lexington Surety reported assets of \$506,155; losses unpaid, \$37,495; unearned premiums, \$114,002; capital, \$250,000, and net surplus, \$158,750.

REPERCUSSIONS IN MICHIGAN

LANSING, MICH., Jan. 11.—Failure of the Lexington Surety & Indemnity had repercussions in Michigan, as considerable bail bond business had been written in Detroit by this carrier. The company had only one representative in the state but had corraled a sizable part of the bail bond business in the metropolitan area. The company's methods had been the object of scrutiny by the department, as "racketeering" had been charged in connection with writing of bail bonds, it being alleged that unfair rates were charged, that the business was forced into certain channels, and that raids were sometimes staged for the sole purpose of creating bail bond business.

**President of the Illinois
Manufacturers Mutual Out**

B. S. Pearsall has resigned as president and L. F. Touells has resigned as sales manager of the Illinois Manufacturers Mutual Casualty of Chicago. The next meeting of the directors of that company will be held early in February and a successor to Mr. Pearsall will be elected at that time. He has been president for nearly three years. He is head of the B. S. Pearsall Butter Company of Elgin, Ill.

A successor of Mr. Touells will not be named at this time. He has been with the Illinois Manufacturers Mutual Casualty for about eight months. Previously he was western manager of the Liberty Mutual.

O. Gullicksen of the Churchill Cabinet Company of Chicago is vice-president of the company and he is temporarily in executive command. The general manager is Charles T. Noble.

Western & Southern Indemnity

The Western & Southern Indemnity of Cincinnati in its new annual statement shows assets \$2,696,477. Of this amount \$1,832,475 is in cash and federal government bonds, \$333,210 in municipal bonds and \$196,977 in stock. Its reserves consist of \$1,064,819, capital \$500,000 and net surplus \$1,002,232.

Aetna Casualty Shows Profit

**Gain \$800,000 on Underwriting in 1932
—Realize on Salvage from Fidelity
and Surety**

HARTFORD, Jan. 11.—The Aetna Casualty had a profitable year in 1932 despite the generally poor conditions. Underwriting profit will be at least \$800,000. While a certain amount of this profit will be a result of decreased volume of business, thereby releasing premium reserves, a very substantial portion is a result of profits in the automobile and burglary divisions.

Fidelity and surety divisions did not suffer the enormous losses of the year previous. These departments also have been aided by large amounts of money being returned through salvage. In its 1931 statement the Aetna Casualty assumed the entire amount of each bank loss, refusing to take credit for possible salvage, the 1932 statement benefiting.

During the year the company made every effort to attain high selectivity of risks and made no attempt to attain volume. At the last directors' meeting it was voted to pay an extra dividend of 2 percent.

New Des Moines Company

An Iowa license has been issued to the American Farmers Mutual Automobile of Des Moines, which was chartered last November. This company is affiliated with the American Farmers Mutual Life of Des Moines and the officers are the same, they being William McArthur, president; C. R. Schoby, vice-president; Guy L. Roberts, secretary, and Burt H. Neal, treasurer.

Mr. McArthur is also president of the National Travelers Casualty of Des Moines, an accident and health company.

Resumes Northwest Activities

SEATTLE, Jan. 11.—The Central West Casualty of Detroit has resumed active operations in the Pacific northwest on a conference basis with the appointment of Gould & Gould as general agents for Washington and Oregon. The company had suspended activities in the northwest since its retirement from Bell & Co. New offices have been opened by Gould & Gould at 652-59 Empire building.

Standard Accident Pays Loan

Vice-President and Secretary C. C. Bowen of the Standard Accident states that prior to Dec. 31, the company paid off in full the loan it had received from the Reconstruction Finance Corporation. Mr. Bowen said that the loss ratios of the company on its different lines have shown a decided improvement in both casualty and surety. It has reduced its expenses so that, in spite of reduction in premiums, the average for 1932 will be less than the average for the past five years.

Agree on Nebraska Bond

LINCOLN, NEB., Jan. 11.—State Auditor Price and the bonding companies have settled their differences over the bonds he and his deputy must give. Instead of the \$750,000 surety bonds that the retiring auditor and his bond deputy carried, the Globe Indemnity has written \$350,000, covering liability for \$448,000 of bonds put up by banks to secure state deposits and placed in escrow with the auditor, and Mr. Price says he will ask the legislature to order them kept by the treasurer himself, who has more secure vaults.

The Monarch Investment Company, Wichita, Kan., has taken the general agency for the Massachusetts Bonding

UNION FAILURE SPECTACULAR

(CONTINUED FROM PAGE 26)

inclined to question the future of the company, assurances ever came from headquarters that money was always available. So long as the Insurance Securities Corporation could sell stock there was no difficulty in furnishing money to the Union Indemnity and its affiliates. When it became impossible to sell Insurance Securities stock the beginning of the end started. Even a few months ago officials of the Union Indemnity let it be known that they had been offered other companies, some of them of considerable proportions, but stated that they had turned down these companies, therefore, leaving the impression that they were playing safe.

Stock Used in Selling

Frequently insurance men were surprised at the tremendous influence the Union Indemnity wielded in getting business thrown its way. Blocks of Insurance Securities stock were sold to contractors and, in fact, all people that it was possible to interest, where it was hoped their lines could be gotten. This stock ownership undoubtedly exerted much influence in throwing business its way. The par value of Insurance Securities stock was \$10 a share and at one time it sold at \$32.

E. B. O'Beirne of Atlanta, southern manager for the Automobile of Hartford, member of the Aetna Life group, is in New Orleans, handling the rewriting of the Hartwig Moss business in the Aetna companies.

Insurance Securities Corporation had outstanding 869,000 shares of stock of a par value which recently was reduced from \$10 to \$1. The stock is very heavily held in New Orleans. Book value of Insurance Securities stock at the end of 1929 was placed at \$18.53; at the end of 1930, \$14.03 and \$7.22 at the end of 1931. At the end of 1929, its security account amounted to \$18,000,000; at the end of 1930, \$13,000,000.

Started in 1919

The Union Indemnity was organized in 1919 by the Hartwig Moss agency, which had been southern general agents for the New Amsterdam Casualty. In 1920, the Union reinsured the Great Eastern Casualty of New York.

Insurance Securities was organized in 1925 and acquired the Union Indemnity. In 1928, the Union Indemnity and the La Salle Fire reinsured the business of the International Indemnity of Los Angeles. In the same year the Bankers & Merchants Fire of Mississippi entered the Union Indemnity group. In 1929, the Detroit Life was acquired. Later in the same year the New York Indemnity was purchased from the National Surety. The Union Indemnity had reinsured the Northwestern Casualty & Surety. In 1930, the Iowa Fire was added. That was the end of the expansion. Thereafter the various units were consolidated or disposed of.

The La Salle in 1931 greatly curtailed its activities, withdrawing from most states and except in Louisiana, confining its business to automobile in connection with Union Indemnity policies. Much of the La Salle's business was reinsured in the Inter-Ocean Reinsurance of Cedar Rapids.

Detroit Life Unaffected

W. Irving Moss announced that the Detroit Life, which is owned by Insurance Securities, will not be affected by the receivership. In addition to Mr. Levy, the other receiver is Clay W. Beckner, automobile dealer, who is a member of the New Orleans advisory committee of the Reconstruction Finance Corporation.

Much of the surety business of the Union Indemnity, in which other companies participated, was on a limited co-surety basis. That is, the other companies on the bonds specifically limited their liability to the amount underwrit-

ten. The big Mississippi river bridge bond, for which the Union Indemnity was the originating company, was on a limited co-surety basis.

If the bonds are on a limited co-surety basis and contain a prorata clause, the participating companies probably are fully protected, even in a partial loss. If the bond were for \$1,000,000, five companies including the Union Indemnity each being committed for \$200,000 on a limited co-surety basis without a prorata clause, each of the four solvent companies would probably be liable up to their full participation in the event of a partial loss—that is they would be liable for one-fourth instead of one-fifth of a partial loss up to \$800,000.

Where other companies were the originators of bonds and the Union Indemnity was the reinsuring company, in the event of loss, the originating company would have to get new reinsurance and file claim for the unearned premium with the Union Indemnity receiver.

The scramble by other companies for Union Indemnity agents and business

throughout the country is on and notwithstanding that a good deal of it is regarded as undesirable by many casualty and surety executives, field men are out issuing ten days' binders covering all risks with the idea that as soon as the business can be looked over the good will be selected from the bad. Usually surety is exempt from these binders because much of the surety business of the Union Indemnity is considered undesirable. Just where the premiums are coming from to cover the unexpired term, it seems, many of the acquiring companies are not stopping to determine. The finance companies obviously cannot finance such premiums, neither is the average agent in a position to borrow money at the bank. The more conservative companies are frowning upon this method of acquiring new premiums in a company which for several years has shown a consistently high loss ratio. In 1931 the Union Indemnity's losses incurred to earned premiums were 73.2 percent. In some cases Union Indemnity agents who thought they saw that the end was in sight months ago took on other companies and gradually transferred the business. The Union Indemnity operated in all the states except North Dakota but in many states its business did not amount to much, the two leading

offices being in New Orleans and New York City.

The receivership is certain eventually to have some effect upon those companies which may be on the same bond risks with the Union Indemnity, if for any reason the Union Indemnity does not meet the obligations of the bonds at once if the insurance companies should be called upon to make good. Some cases are already pending in the courts involving co-insurers who were on the same bond with other companies which went out of business after the bonds were written.

Trend to State Fund

Any effect which receivership may have upon payments due to workmen's compensation insurance beneficiaries will be reflected immediately in demands for the extension of the state fund idea. If these beneficiaries do not receive the full amount due them under workmen's compensation laws, political pressure will be brought to bear to pay them with state collected money and when this is done, a demand for operation of the state fund will receive more support than ever heretofore. The last annual meeting of the union labor representatives discussed this very question and statements were made on the floor of the convention that only those receiving payments from state funds could

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be considered safely protected at this time.

REACTION IN NEW YORK

NEW YORK, Jan. 11.—News of the appointment of a receiver for the Union Indemnity came as a distinct shock to the fraternity here and continues to be the chief topic of conversation among insurance men. Though it was generally known some months ago that the Union Indemnity was negotiating a merger arrangement with one of the casualty offices of this city, confidence in the future of the corporation was largely restored through the official announcement that the proposed deal was definitely off, and that the surplus of the company had been strengthened through the payment to its surplus account of \$800,000. The assumption was that this additional cash would enable the company to carry on comfortably at least until the middle of 1933, by which time should it prove necessary, the stockholders would contribute still further money.

While news of the receivership came as a jolt, no one here is in position to speak advisedly as to why the action was taken, and speculation upon the subject covers a wide range. That the Union Indemnity, in common with surety companies generally, sustained unusually heavy losses as a result of bank failures throughout the country was of course, well understood, as was also the fact that its business, likewise in keeping with that of other casualty and surety writing offices, had fallen off very materially. This reduction in income naturally meant an increase in loss and expense ratios; but even so the fact was not deemed sufficient to warrant the abrupt closing of the company's doors, and the automatic cancellation of all of its outstanding policies and bonds.

N. Y. Department Acts

When the New York department learned of the plight of the Union Indemnity it applied to the court for authority to take over the assets of the company in this state for the benefit of creditors here. What these assets consist of remains to be determined. The Union is understood to hold an equity in the New York City building it occupies; and unquestionably has balances outstanding in the hands of agents here. An effort to get at the inside of the situation will be made by two representatives of the department who are now in the offices of the company at New Orleans. The New York City branch is practically closed to visitors, save upon the grade floor; all

would-be seekers for light being barred from getting further than the metropolitan division by two special officers.

Brokers and assureds who have business with the company are advised to replace such lines immediately, and if premiums had been paid to make claim for the unearned from the receiver. It is certain in view of the numerous alliances of the corporation that some months will elapse before anything of a definite character will be learned.

Semi-Annual Statement

While the annual statement of the company for 1932 is not available, the semi-annual report disclosed the Union Indemnity possessed of admitted assets of \$13,793,313 on June 30 last, with a surplus beyond its capital of \$1,000,000 and all other liabilities of \$411,227. During the preceding six months the net premium writings of the company totaled \$6,141,118.

That the National Surety will be affected through the failure of the Union Indemnity is denied by President E. M. Allen, who stated that when the business of the New York Indemnity was sold to the New Orleans company several years ago, the National Surety accepted in exchange for the stock of its subsidiary 150,000 shares of Insurance Securities, which stock was never carried as an asset by the National Surety and hence its financial standing will be unaffected by the collapse. Among the liabilities appearing in the June 30, 1932 statement of the Union Indemnity, is a reserve of \$1,271,669, set aside to take care of New York Indemnity claims. The Union had in its eastern department office at this city a number of skilled underwriters. The rank and file of the clerks will find it hard to get new jobs.

While a member of the Surety Association of America the Union Indemnity did not belong to the National Bureau of Casualty & Surety Underwriters, having quit the latter body in 1930. It likewise held membership in the National Council on Compensation Insurance.

SAN FRANCISCO SHOCKED

SAN FRANCISCO, Jan. 11.—Edward Brown & Sons, general agency for the New York Indemnity Underwriters of the Union Indemnity, announced that upon receipt of advices of the receivership proceedings by the officers at New Orleans, plans were immediately adopted looking toward complete protection of all agents, brokers and assureds in California. The general agency, which placed a large volume of profitable business with the Union In-

demnity through the underwriters, is also general agent for the Central Surety and it is expected that most of the business will be rewritten in that company. Edward Brown & Sons placed nearly \$400,000 business with the New York Indemnity Underwriters, created at the time when the Union took over the New York Indemnity.

News of the receivership proceedings struck San Francisco's insurance district with a distinct shock and cast gloom over the entire section. Hundreds of agents, brokers and contemporaries surged into the offices of the Union Indemnity in San Francisco on receipt of the news to express their regrets to Wes G. Cannon, the manager.

USE STANDARD ACCIDENT

Joyce & Co. of Chicago, announces that it has effected a general agency contract with the Standard Accident.

All policies of all clients of Joyce & Co. formerly written in the Union Indemnity have been insured in the Standard Accident as of the date of receivership of the Union and all insurance placed through this office formerly carried with the Union Indemnity is now insured with the Standard Accident.

PROTECT UNION RISKS

G. G. May, president of the May Insurance Agency in Cincinnati, has arranged for the protection of his Union Indemnity policyholders in the companies of the North America group. Two other Union Indemnity agencies are located in Cincinnati, Constable Insurance Agency and Morris H. Isaacs & Son Agency. The latter specializes in accident and health insurance and its risks are being protected by a new company. Mr. Isaacs has his office with Perkins & Geoghegan.

KANSAS CITY SITUATION

KANSAS CITY, MO., Jan. 11.—The receivership of the Union Indemnity group, which sold many security bonds and policies to contractors doing city and county work here in the past, does not greatly affect western Missouri, according to Joseph J. McGee of Thomas McGee & Sons, which represented the company here.

Mr. McGee said few if any of the company's surety bonds or policies had been sold here in the last three years, and that neither the city nor the county would lose anything. His company has sold none of the Union policies in the last 18 months.

A check up in the agency revealed less than 200 policies outstanding for western Missouri, and most of these

were liability on buildings. These were taken over immediately by the Central Surety, and new policies are being issued by that firm. Four or five bonds were outstanding on government work, but these will be replaced in another company immediately, Mr. McGee said.

ALABAMA TAKES ACTION

MONTGOMERY, ALA., Jan. 11.—Advised by receivers of the Union Indemnity that nothing can be done to reinsure the company's Alabama business, Superintendent Greer has told Alabama policyholders to obtain insurance elsewhere without delay. To protect the \$50,000 in bonds on deposit with the state treasurer for benefit of Alabama policyholders, the state has applied for a receiver in Montgomery circuit court.

KENTUCKY RECEIVER NAMED

LOUISVILLE, Jan. 11.—Following naming of a receiver for Union Indemnity Circuit Judge Marshall in Louisville named W. G. Meinhardt, of the Edward J. Miller & Co. agency at Louisville, as receiver for the company here.

The Miller Co. represented the Union Indemnity for several years in Louisville, dropped the company in 1930, and just recently resumed representation of it, but didn't start writing much business into it until December. Including three year policies it had only about 150 policies in Union Indemnity, all of which are being canceled, and the business is being rewritten in the Massachusetts Bonding which has just been taken on by the Miller office, which also has the Fidelity & Casualty.

Reisert & Co., who also represented the Union Indemnity, in Louisville, reported that it was also canceling all policies in that company and rewriting them in the Zurich.

Union Indemnity did a good business in Louisville, and in the past two or three years took some rather heavy losses, as a result of bank failures, embezzlements, and heavy loss when the Pittsburg Foundation Co. went broke, shortly after starting work on the million dollar Southwestern Outfall Sewer contract, which was finished up by the surety companies, which placed contract with the Torston Construction Co., Long Beach, Calif.

LOSS IN MICHIGAN

LANSING, MICH., Jan. 11.—The state of Michigan, it appears, may be unable to collect a \$350,000 judgment against the Union Indemnity which had the largest share of a depository bond on upwards of \$1,000,000 in state funds

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an agency
contract with
a Company
that will
help an
agent when
help is
needed?

on deposit with a Detroit bank which failed over a year ago. A judgment, obtained in Ingham circuit court had been appealed to supreme court because of questions as to division of the loss.

RECEIVERS MAKE STATEMENT

NEW ORLEANS, Jan. 11.—All policyholders in the Union Indemnity Company and La Salle Fire should ascertain from their agents the status of their particular policies and bonds, Clay W. Beckner and S. Sanford Levy, receivers, announced.

The statement follows:

"Inquiries have been made to us as receivers of Union Indemnity and La Salle Fire as to the status of outstanding policies and bonds of these companies. We, as receivers cannot take any steps to reinsure these policies and bonds. We understand that certain agents, independently of the receivers have made arrangements to provide such reinsurance in other companies. All policyholders in Union Indemnity and LaSalle Fire should for their own protection ascertain from their agents the status of their particular policies and bonds."

PET BAIL BOND COMPANY

NEWARK, Jan. 11.—The Union Indemnity furnished bail of \$135,000 for six of the defendants in Newark's ballot scandal, the agency furnishing the bonds being Stuckey & Kayser.

The company was also the only company which Federal Judge Clark announced the first part of November, whose bonds would be received for bail in federal cases in New Jersey and all federal courts in the state were notified to that effect.

Feist & Feist, of Newark, one of the largest insurance agencies in New Jersey, has announced that all outstanding liability insurance written with the Union Indemnity by the firm has been replaced with the Travelers. The firm was appointed general agents in New Jersey, when the company closed its branch office in Newark last year.

ACTION IN TENNESSEE

NASHVILLE, Jan. 11.—Following information of receivership of the Union Indemnity a request for ancillary receivership was filed and granted here by Chancellor R. B. C. Howell at a specially appointed hearing.

Commissioner Reece and Howard Dye, a former general agent of the Union Indemnity, were named joint receivers.

Other defendants named in the bill with Union Indemnity are Fidelity Trust Co. of Chattanooga, Cooper & Coffman of Knoxville, Thos. Wellford & Son of Memphis, Hudson & Reed of Murfreesboro, Mora B. Farris of Maury County, Thurman Davis of Coffee County, W. R. Boyte of Dickson County, and Henry Angeloff of Carter County, all local agents of the Union Indemnity and R. H. Baker, state commissioner of highways.

Union Indemnity was bondsman to the extent of \$50,000 for the Leas, Luke Sr. and Jr., who have been convicted and sentence affirmed for certain banking irregularities in Asheville, N. C., by that state's supreme court. The Leas have exhausted every legal remedy to avoid serving sentence under conviction, even appealing to the United States Supreme Court for a review, which was twice denied. The Leas have been officially notified to report in North Carolina and begin serving sentence not later than Jan. 23, or their bond would be forfeited and collected.

It is reported that W. Irving Moss, president of the Union Indemnity Co. and associated companies, stated in New Orleans, that the Leas' bonds were automatically canceled by the receivership.

State's Attorney Nettles, at Asheville, however, says the bond is a valid lien against the assets of the company, and that if the Leas fail to put in their appearance on schedule, suit will be

filed immediately to recover the amount of the bond against the receivers.

SITUATION IN OHIO

Most of the Ohio agents of the Union Indemnity had not made arrangements to cover their risks early this week. A large number of them had sought the aid of the Union Indemnity special agent in the state and he in turn was seeking aid for them. Some of the Union Indemnity agents who had done careful underwriting were sought out at once by reliable companies and protection was provided for their risks. In at least one of these cases, several men came out from one of the home offices, one to check the financial condition of the agency, one to check the business itself and another to look over the present claims pending for settlement as well as the claims which have been settled and call for future payments.

At Cleveland the Hopkinson-Burridge-Pearse Company, general agent for all lines for the Union Indemnity, has transferred its business except surety to the Royal Indemnity.

CALIFORNIA RECEIVER ASKED

SAN FRANCISCO, Jan. 11.—Commissioner Mitchell petitioned the superior court for appointment as receiver for the Union Indemnity in California.

POLICYHOLDERS ARE PROTECTED

The Andrews-McDowell Co. of Dallas announces that it has arranged for reinsurance of Union Indemnity policies placed through that agency.

LOUISIANA AGENTS MEET

BATON ROUGE, LA., Jan. 11.—A meeting of Louisiana representatives of the Union Indemnity and LaSalle Fire was held in Baton Rouge yesterday. An organization was formed with Justin R. Querbes of Shreveport as chairman and Henry D. Larcade, Jr., of Opelousas as secretary. The chairman was authorized to appoint a committee of five of which he is a member and ex-officio chairman for the purpose of making an immediate investigation and taking proper steps for protection of policyholders and agents in Louisiana and elsewhere. The committee is to report back to a meeting to be called by the chairman at the earliest possible date.

DUNHAM CANCELS LICENSE

HARTFORD, Jan. 11.—Commissioner Dunham has canceled the license of the Union Indemnity to operate in Connecticut. Assets of the company in the state consist chiefly of agency balances.

Company Must Pay \$15,430 in Matrimonial Puzzle

GRAND RAPIDS, MICH., Jan. 11.—The fact that "a woman engaged to marry a man has an insurable interest in his life" was established by a ruling by Judge L. D. Verdier in the circuit court here last week when judgment of \$15,430 was awarded Mrs. Alice Schaeffer, Chicago, against the Peninsular Casualty.

Mrs. Schaeffer was named beneficiary under the terms of an accident policy issued to E. E. Leonard, who was killed in an auto accident near Chelsea, Mich. In the policy she was listed as "Alice Leonard, wife." The company refused payment because the application by Leonard was alleged to contain false statements, in that Mrs. Schaeffer was not Leonard's wife.

It developed that Mrs. Schaeffer was engaged to marry Leonard, a sweetheart of school days, as soon as she divorced her husband. The decree was granted four days after the policy was issued, but under Illinois law, Mrs. Schaeffer could not remarry within a year. Leonard's death occurred before the end of the year.

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CHANGES IN CASUALTY FIELD

Takes on Larger Quarters

Lloyds Insurance Co. Moves to New Offices in Chicago for Its Western Department

The Lloyds Insurance Company, which recently inaugurated a western department in Chicago, is moving its offices to larger quarters in room 1362 Insurance Exchange building, to facilitate the handling of the business going to this office from the territory over which it has supervision. Plans to develop on an extensive basis have been made. For the present this office will concentrate its efforts in Illinois, Indiana, Wisconsin and Minnesota.

Casualty, surety and fidelity facilities, as well as boiler and electrical machinery lines, are offered. In order to offer every possible facility, this office will handle its own claims and inspections.

Russell S. Chaloner, who was recently appointed casualty manager, is an executive of prominence in the middle west. He started with the Travelers in 1917, going through the home office and training school in Hartford and then being field assistant there for a year. He was then sent to Chicago as assistant manager, which position he held for six years. In 1924 he went with the Norwich Union Indemnity in Chicago as manager of its western department, a position he held for a number of years. He was later a field representative of the Eagle Indemnity in Chicago, handling field appointments in the middle west territory.

He is a past president of the Insurance Club of Chicago, and for several years ran its casualty courses in the work of the Insurance Institute.

R. L. Gueydan, who has been in the old offices for some time as surety manager, continues with the Lloyds in the same capacity. He is thoroughly trained in all surety lines, having been in the business for the past 25 years.

F. P. Stanley, vice-president and superintendent of agents, who arrived in Chicago early this week, completed the arrangements for the western department's operations and will return to the home office following a visit to the branches in Detroit and Cleveland.

Joins Associated Indemnity

Fred Wittel, formerly an underwriter in the Newark office of the American Casualty, has resigned to take a similar position in the Newark office of the Associated Indemnity, now under the supervision of L. L. Noonan as resident vice-president in charge of New Jersey and Pennsylvania. Before joining the American Casualty, Mr. Wittel was affiliated with the U. S. F. & G. as an inspector.

Salomon Elected Secretary

Son of the Late A. J. Salomon, One of Organizers, Elevated by New Century Casualty

Harold A. Salomon, formerly assistant secretary and treasurer of the New Century Casualty, Chicago, has been elected secretary-treasurer. He has been associated with the company since organization. He is a son of the late A. J. Salomon, one of the organizers of the New Century who before his death was treasurer.

Before going with the company, Harold A. Salomon conducted a successful general insurance brokerage business in Chicago.

The New Century originally was organized to write plate glass insurance exclusively, but in September, 1931, it expanded its activities to the writing of automobile lines, and since that time has doubled its premium volume. The company operates in 18 states.

The experience on automobile and plate glass has shown a profit each month of operation since July 1, 1932. Prior to that the setting up of reserves naturally created an underwriting loss.

CASUALTY PERSONALS

Paul C. Bates, president of Bates, Lively & Pearson, well known Portland, Ore., general agency, has completed 30 years of service as representative there of the Aetna Life.

George L. Kachelhoffer, 32, Des Moines manager of the Ohio Casualty, died Jan. 8 from pneumonia following a week's illness.

M. J. O'Brien, superintendent of agencies of the Fidelity & Casualty, is among the large number of persons suffering from the "flu" epidemic, having been taken ill Jan. 8.

In recognition of his completion of 25 years' service with the Travelers, **J. W. Cabell**, adjuster at its Charlotte, N. C., office, was the recipient some days ago of a series of appreciated gifts from his

J. M. Newburger is the new assistant secretary-treasurer.

Chicago Branches Joined

The Chicago branch office of the National Casualty, which company, as is well known, is affiliated with the Continental Casualty of Chicago, now is located in the great new branch office of the latter company in the Insurance Exchange in that city. G. W. Murbach, the National Casualty's branch manager, continues in the same capacity with full control over his company's affairs in Chicago. The change was made with the thought that some economies in operation might be effected, and particularly that the all inclusive services and facilities of the Continental Casualty's branch thus could be offered all National Casualty clients.

J. F. Groel, G. G. Madden Resign

NEWARK, Jan. 11.—J. F. Groel, assistant manager, and George G. Madden, casualty underwriter here for the Standard Surety & Casualty of New York, have resigned. Mr. Groel was formerly manager here for the Home Indemnity and Southern Surety for about three years. Mr. Madden before joining the Standard Surety was with the Metropolitan Casualty for about four years.

C. C. Fuller of Chicago has been appointed director of sales for the Midwest Indemnity of Oklahoma City, succeeding W. L. Tops, resigned.

associates. Mr. Cabell joined the staff of the company in 1908 as an investigator at its Richmond, Va., office. Soon thereafter he was advanced to assistant adjuster at the Charlotte branch and still later promoted to his present post. A native of Ingleswood, Va., and a graduate of Roanoke College, he was employed as a civil engineer some years before entering the casualty field.

W. F. Roeber, general manager of the National Council on Compensation Insurance, is spending two weeks motoring in Florida, enjoying a belated vacation denied him during the past summer when he was arguing rate cases.

P. V. McMurtry of Chicago, field representative of the Royal Indemnity, was married last week to Katherine Knauf, daughter of Dr. and Mrs. F. P. Knauf of Kiel, Wis.

Wide Interest as to Compensation

(CONTINUED FROM PAGE 25)

tically 20 percent of the premiums. He brings out the fact that the depression has not been the major factor in the increasing loss trend as the greatest increase in underwriting loss was found in 1928 and 1929. He points out that the main causes contributing to the results are first, the inability of the companies to get the approval of the authorities for proper rate increases and next, the inability of the companies to control claim payments and medical cost. Sometimes, he said, the point is made that the companies are not conducting the business with sufficient economy.

Average of Disbursements

He gives the following figures for the average of all stock companies for 1931:

Administration cost 17.5 percent.
General administration 9.
Taxes 2.5.
Inspection and bureau 3.5.
Audit 2.
Losses and claim adjustments 84.5.

Of the expenses in this tabular form taxes are fixed. Inspection service

which is of great value to the assured is reduced to the minimum. Even if home office administration expense were eliminated, there would still be an underwriting loss of 10 percent.

The president calls attention to the fact that the situation has now become intolerable. He declares that the time is rapidly approaching when some radical collective action must be taken by the better class of companies.

Three Courses Suggested

Three courses of action have been outlined to bring relief. The first is the discontinuance of writing of workmen's compensation entirely except as the coverage is incidental to public liability business. Secondly, there is a proposal to reduce commissions to general agents to 10 percent with corresponding decreases to subagents. While, he says, this step is radical, it would nevertheless afford agents a market for such workmen's compensation as they necessarily must write.

In the third place, there is a proposal to change the method of transacting compensation without reduction of commissions to a cash basis. This would permit no flat cancellation and under it the assured would be required to pay cash on delivery of policy or failing to do so the agent must pay.

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2. **Diamond Life Bulletins**—A monthly loose leaf sales and statistical service for the life insurance business.
3. **F. C. & S. Bulletins**—A monthly loose leaf sales and informational service covering entire fire, casualty and surety field except accident and health.

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2. **Sales Training Course in Casualty and Bond Underwriting**—A training course in the fundamentals, coverage and selling of Casualty and Bond lines.
3. **Training Course in Dean Schedule Rating**—A course devoted to an explanation of the principles and application of the "Analytic System for the Measurement of Relative Fire Hazard," better known as the "Dean Schedule."
4. **The Essentials of Life Underwriting**—A training course for the life underwriter.
5. **Sales Training Course in Property Insurance**—A training course for the agent who wants to have a complete but brief treatise on fire and allied lines.

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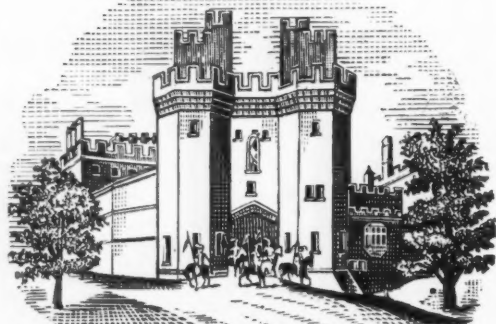
The Palatine Insurance Company, Ltd.

Established 1886

Statement as of January 1, 1932

Rendered New York Insurance Department

Assets	\$ 3,395,801.22
Liabilities	2,002,415.05
Surplus to Policyholders on Basis of Market Values, December 31st, 1931	1,393,386.17
Surplus on Basis of Ins. Comrs. Convention Values	2,082,833.67
Losses Paid to Date	35,760,139.00



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